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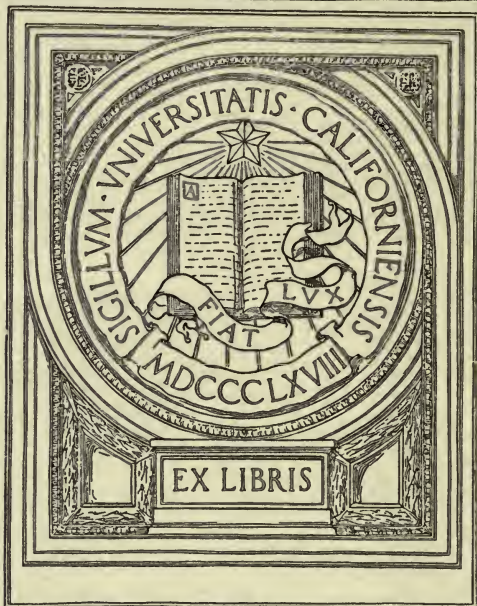
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PACKARD'S NEW MANUAL
OF
BOOK-KEEPING
AND CORRESPONDENCE

GIFT OF
Prof. C. A. Kofcid



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No. School

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PACKARD'S
NEW MANUAL
OF
BOOK-KEEPING
AND
UNIV. OF
CALIFORNIA
CORRESPONDENCE.

BY

S. S. PACKARD,

President of Packard's Business College,

Author of the "BRYANT & STRATTON BOOK-KEEPING SERIES," the "PACKARD COMMERCIAL ARITHMETICS," and "PACKARD'S COMPLETE COURSE OF BUSINESS TRAINING."



NEW YORK:

S. S. PACKARD, 101 EAST 23D ST.

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AIRROTILAO

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Gift of Prof. C. A. Kofoid

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P R E F A C E .

THIS little book is aimed at a real want felt in most commercial schools and commercial departments of high schools. It does not presume to supply all the material requisite for a complete training in Book-keeping and Correspondence, and yet it aims at giving the best form of instruction in each, as far as it goes. And in this matter it is not, in any sense, an experiment, but the result of years of experiment and faithful labor. The first part of the book—that which relates to the subject of accounts—has been substantially in use in the commercial schools for the past twelve years, and has received the best form of endorsement from eminent teachers—that of constant use in their classes. The original book, of which this is a revision and enlargement, has served as a book of initiatory instruction in accounts in a large share of the business colleges of the country, while it has been used, as a complete text-book, in many of the commercial departments of high schools and academies in the United States and Canada.

While the sets in the "Business Series" were and are well adapted to develop the subject of Book-keeping, it has been long felt by the more exacting teachers that the preliminary instruction was too brief and too restricted in its application; for while the plan of teaching the science by first introducing separate accounts (original with this treatise) was felt to be the only true and logical plan, it was found that these exercises were not rendered sufficiently simple, and that there was a lack of sufficient material to enforce the lessons upon minds not able to grasp an idea or a principle upon its presentation; and so teachers have been forced to supplement the work of the book with material of their own. The revision has fully remedied this fault, and has, besides, developed the subject in a more gradual and better classified method. There has been no chance work here. Every step has been taken cautiously and with a view to final results, and nothing has been omitted which was deemed essential to a complete logical enforcement of the subject. The first part of the book, in the form of "Advance Sheets," was sent out nearly a year ago, and has been faithfully tried in a large number of business

colleges, where it is still in use; and the positive opinion of those who have thus tested it leaves no doubt in the author's mind that he has, at last, completely satisfied their demands.

The addition of a chapter on Business Correspondence is deemed of the first importance; for, although there are plenty of text-books on Letter-Writing and English Grammar, there are very few, so far as the author is aware, that can be used economically or effectively in this connection. The same general idea which has prevailed in preparing the matter for Book-keeping is carried out in this part, viz.: to give but little preliminary instruction, and that the most important and most readily applied, and to place in the student's hands plenty of material whereby he may work out the practical results, either by himself or under the guidance of his teacher. There is no thought to do away with the study of English Grammar or English Composition, as such, but rather to show the importance of such study, and to make some progress in it necessary. There is no book, so far as the author knows, that comprises so much material for work in Correspondence as is embraced in these thirty pages; and it is believed that if this material is properly used, it will be sufficient in most cases to correct prevailing errors in Letter-Writing.

The Appendix is an important part of the book, not merely for its forms, but more for the additional matter for practice which it contains. Those who have felt the need, in the old book, of forms for principal books and methods of using them will find this omission happily supplied in the Appendix, while the extra material for test-work, and especially for the adjustment of partners' interests under various conditions, will find favor in the eyes of thorough teachers and earnest pupils.

In short, the *NEW MANUAL* is offered to teachers as covering an important part of business training, and while it does not seek to displace other books on the same subjects, it is confidently believed to contain matter which will aptly supplement any such book now in use.

And with this estimate of its place among commercial text-books, the author respectfully submits it.

NEW YORK, *August 1, 1884.*

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BOOK-KEEPING.

CHAPTER I.

ACCOUNTS.

§ 1. — BOOK-KEEPING is the recording of the dealings of a business.

§ 2. — This is best done through the form of Accounts.

§ 3. — AN ACCOUNT is a collection of items so arranged under a proper head, as to show a definite result.

§ 4. — Among the results shown by accounts are: 1. The amount of money on hand; 2. What is owed to the business, and what the business owes; 3. What has been gained or lost.

§ 5. — *The amount of cash on hand* is shown by the Cash account. *What is owed to the business, and what the business owes* is shown in accounts with persons and in accounts with notes and acceptances. [The notes and acceptances in our favor are called Bills Receivable, and the notes and acceptances against us are called Bills Payable.] *What has been gained or lost* is shown in accounts recording the activities or the operations of the business.

§ 6. — The statements and examples which follow are intended to cover the *objects* and *methods* of these different classes of accounts.

I. CASH ACCOUNT.

§ 7. — 1. The Object. To show the dealings in cash, and *the amount of cash on hand*.

§ 8. — 2. The Method. When cash is *received*, the amount is placed on the left or *debit* side; and when *paid*, the amount is placed on the right or *credit* side. The excess of the debit over the credit will be the *amount on hand*.

§ 9. — EXAMPLE OF CASH ACCOUNT.

Items.	Dr.			Cash.			Cr.		
	Cash received.			Cash paid					
1. Received cash, \$15.75.	1	15	75	2	5				
2. Paid cash, \$5.	3	50		4	3	75			
3. Received \$50.	7	15		5	4	50			
4. Paid \$3.75.	8	2	50	6	12				
5. Paid \$4.50.		88	25	9	14	30			
6. Paid \$12.				10	9				
7. Received \$15.				11	12	15			
8. Received \$2.50.					60	70			
9. Paid \$14.30.									
10. Paid \$9.									
11. Paid \$12.15.									

Received - - \$83.25

Paid - - - 60.70

On hand - - \$22.55

MATERIAL FOR PRACTICE.

- § 10. (FIRST SERIES.) Items. — 1. Received cash, \$125. -----
 2. Paid cash, \$25.13. ----- 3. Paid \$12.35. ----- 4. Paid \$19.75. -----
 5. Received \$119. ----- 6. Received \$49.25. ----- 7. Paid \$27. -----
 8. Paid \$14.83. ----- 9. Paid \$12.17. ----- 10. Received \$13.50. -----
 11. Paid \$14.75. ----- 12. Paid \$93.75.

Required, balance of cash on hand.

- § 11. (SECOND SERIES.) Items. — 1. Received cash from the proprietor, \$175. ----- 2. Received cash on account of Jones & Co., \$75. -----
 3. Paid cash for goods, \$29.12. ----- 4. Received cash for goods, \$182.35. -----
 ----- 5. Paid office boy, \$7. ----- 6. Paid for stationery, \$25. -----
 7. Received on J. Triplet's note, \$180. ----- 8. Received for goods, \$125. -----
 ----- 9. Paid salaries, \$112.50. ----- 10. Paid to proprietor, \$50. -----
 11. Received on Abram Stuart's account, \$37.50. ----- 12. Paid store rent, \$150.

Required, balance of cash on hand.

- § 12. (THIRD SERIES.) Items. — 1. Cash invested by H. B. Bryant (partner), \$1000. ----- 2. Cash invested by C. E. Carrol (partner), \$1200. -----
 ----- 3. Paid cash for merchandise, \$450. ----- 4. Received cash for merchandise, \$29.12. -----
 ----- 5. Received cash for merchandise, \$73.25. -----
 6. Paid cash for our note, \$300. ----- 7. Paid cash for interest due on

mortgage, \$112.50. **8.** Paid cash for store rent, \$150. **9.** Received cash on Jones's account, \$102. **10.** Paid cash to H. B. Bryant (partner), \$75. **11.** Borrowed cash on our note, \$490. **12.** C. E. Carrol (partner) drew cash on private account, \$50. **13.** Paid cash for insurance on goods, \$125. **14.** Received cash from H. B. Bryant, \$200. **15.** Paid cash to book-keeper, \$100.

Required, the balance of cash on hand.

§ **13.**— Debts owed *to* the business, and debts owed *by* the business are shown in accounts with persons under their proper names, and in accounts with notes and acceptances under the titles, Bills Receivable and Bills Payable.

II. PERSONAL ACCOUNTS.

§ **14.**— **1. The Object.** To show our dealings with persons, and *what they owe us or we owe them.*

§ **15.**— **2. The Method.** All *items in our favor* are placed on the *debit* side of the account of the person who thus owes us, and all *items against us* are placed on the *credit* side of the account of the person whom we thus owe. The difference will be the fact of debt for or against us. If the *debit* side is the larger, *the person owes us* the difference; and if the *credit* side is the larger *we owe the person* the difference. If the sides are equal, the indebtedness is, of course, canceled.

§ **16.**— EXAMPLES OF PERSONAL ACCOUNTS.

Dr. **H. E. Hibbard.** *Cr.*

Items.

1. DEALINGS WITH H. E. HIBBARD.

- 1.** Sold him goods for \$15.75.
- 2.** Received from him, cash, \$10.
- 3.** Sold him goods for \$25.
- 4.** Sold him goods for \$18.75.
- 5.** Received his note for \$30.

Against him.			In his favor.		
<i>1</i>	15	75	<i>2</i>	10	
<i>3</i>	25		<i>5</i>	30	
<i>4</i>	18	75		40	
	59	50			

Total debits - \$59.50

Total credits - 40

He owes us - \$19.50

Dr. W. A. Miller. Cr.

Items.

2. DEALINGS WITH W. A. MILLER.

1. Bought goods of him, at \$75.
2. Bought goods of him, at \$50.
3. Paid him cash, \$25.
4. Gave him our note for \$60.

Against him.			In his favor.		
3	25		1	75	
4	60		2	50	
	85			125	

Total credits - \$125

Total debits - 85

We owe him - \$40

Dr. E. R. Felton. Cr.

Items.

3. DEALINGS WITH E. R. FELTON.

1. He owes us \$100.
2. He buys goods of us, at \$62.50.
3. He pays us cash, \$50.
4. He buys goods of us, at \$37.50.
5. He gives us his note for \$150.

Against him.			In his favor.		
1	100		3	50	
2	62	50	5	150	
4	37	50		200	
	200				

Total debits, \$200. Total credits, \$200.

Canceled.

MATERIAL FOR PRACTICE.

§ 17. (FIRST SERIES.) **Items.**—1. Thomas Hunter owes us a balance of \$100. ----- 2. He buys of us on credit, goods amounting to \$27.50. ----- 3. He pays us cash, \$25. ----- 4. He borrows of us cash, \$50. ----- 5. He gives us his note to apply on account, for \$50. ----- 6. He pays a debt for us of \$75. ----- 7. He works for us four days for which we credit him \$8. ----- 8. He loans us cash, \$75. ----- 9. We sell him goods amounting to \$25.

Required, the balance of indebtedness for or against him.

§ 18. (SECOND SERIES.) **Items.**—1. We deposit in State Bank, \$375. ----- 2. We pay a bill by check on the Bank, \$25. ----- 3. The Bank collects a note for us, and credits us with the amount as a deposit, \$150. ----- 4. Paid for goods by check, \$19.75. ----- 5. Deposited, \$250. ----- 6. Paid for note by check, \$150. ----- 7. Bank pays for our note left for collection and charges amount to us, \$110.

Required, the balance in Bank.

§ 19. (THIRD SERIES—Four Separate Accounts.) **Items.**—1. Sold Robert Hall on credit, 3 brls. Flour, at \$10 per brl., \$_____. ----- 2. Bought on credit of A. Stuart, dry goods for \$127.50. ----- 3. Sold Peter Cooper

on credit, merchandise for \$425. ----- 4. Received cash from Peter Cooper, \$150. ----- 5. Sold goods on Thomas Jones's order, for \$25. ----- 6. Borrowed cash of Thomas Jones, \$125. ----- 7. Paid cash on A. Stuart's order, \$127.50. ----- 8. Sold Robert Hall 20 bush. Wheat, at \$1.25 per bush., \$ ----- 9. Sold Peter Cooper 20 brls. Flour, at \$9.25, \$ ----- 10. Bought of A. Stuart, dry goods for \$350. ----- 11. Sold merchandise on A. Stuart's order for \$200. ----- 12. Paid A. Stuart cash, \$150. ----- 13. Received cash from Peter Cooper, \$200. ----- 14. Gave Thomas Jones our order on Peter Cooper for the balance of his (Jones's) account, \$ -----.* ----- 15. Lent Robert Hall, \$75. ----- 16. Bought of Peter Cooper a set of double harness for \$250. ----- 17. Received Rob't Hall's note for \$50.

Required, the standing of the several accounts.

§ 20. — Notes and acceptances are written evidences of debt. A NOTE is a direct promise to pay a certain sum of money at a certain time; and an ACCEPTANCE is a similar promise in a different form. [Full descriptions of these documents are given in § 83, page 30.]

§ 21. — Other people's notes and acceptances which come into our hands are called Bills *Receivable* because we are to *receive* the amount stipulated therein; and our notes and acceptances which pass into other people's hands are called Bills *Payable*, because we are to *pay* the amount stipulated. Thus, Bills Receivable account will show what others owe us on written promises, and Bills Payable account will show what we owe others on written promises.

III. BILLS RECEIVABLE ACCOUNT.

§ 22. — 1. The Object. To show our dealings in other people's notes and acceptances, and *the amount of such notes and acceptances on hand*.

§ 23. — 2. The Method. When other people's notes or acceptances are *received* the amount written upon the face is entered on the *debit* side of the account, and when such paper is paid, or in any way *disposed of*, the amount of the face is entered on the *credit* side of the account. The *difference*, if any, will be the *amount of other people's paper on hand*.

* In this case the person who owes us pays the person ~~whom we owe~~. The former should be credited, and the latter, debited.

§ 24.—EXAMPLE OF BILLS RECEIVABLE ACCOUNT.

*Dr. Bills Receivable. Cr.***Items.**

1. Received J. Phillip's note, in payment of account, for \$375.
2. Received Charles Jones's note for \$150.
3. Disposed of Phillip's note, \$_____.
4. Received Samuel Felton's acceptance in payment for goods, \$215.
5. Chas. Jones pays his note, \$_____.

Notes and Acceptances received.			Notes and Acceptances disposed of.		
1	375		3	375	
2	150		5	150	
4	215			525	
	740				

Received - - \$740

Disposed of - 525

On hand - - \$215**MATERIAL FOR PRACTICE.**

- § 25. (FIRST SERIES.) **Items.**—1. We have on hand F. Luick's note of \$250. ----- 2. Received Smith & Co.'s acceptance in payment for goods, \$149.50. ----- 3. Received H. Seymour's note to apply on his account, \$75. ----- 4. F. Luick pays his note, \$_____. ----- 5. Sold H. Seymour's note, \$_____. ----- 6. Received H. Potter's note in settlement of account, \$137.40. ----- 7. Exchanged H. Potter's note for goods, \$_____. ----- 8. Received of J. Cuyler, in settlement of account, P. Cooper's acceptance for \$250. ----- 9. Smith & Co. have paid on their acceptance \$50. ----- 10. Sold merchandise to J. Sizer, receiving his note therefor, for \$110.

Required, the amount of business paper on hand.

- § 26. (SECOND SERIES.) **Items.**—1. Have on hand the following paper: H. Cornell's note of \$500; P. Dickson's acceptance of \$75; B. Horton's acceptance of \$125 (enter separately). ----- 2. Sold C. Randall merchandise, and received his note for \$117.50. ----- 3. Gave P. Dickson's acceptance in part payment for goods, \$_____. ----- 4. Received of B. Wise, to apply on his account, his note for \$175. ----- 5. Sold B. Horton's acceptance, \$_____. ----- 6. Exchanged notes with F. C. Woodbury for our mutual accommodation, \$200. ----- 7. Received Robert Anderson's note in payment for goods, \$75. ----- 8. Sold A. J. Rider merchandise, and received his note for \$100 in part payment. ----- 9. Received cash for F. C. Woodbury's note, \$_____.

Required, the notes and acceptances on hand.

- § 27. (THIRD SERIES.*) **Items.**—1. Sold merchandise to G. Wake-man for \$200, receiving his note at 30 ds. in payment. ----- 2. Received of James Parton, his note at 10 ds. in full of his account, \$129. ----- 3. Sold

* The amounts to be entered in Bills Receivable account appear in *italics*.

Wakeman's note of \$200 at a discount; receiving cash, \$199.33; discount off, \$0.67. 4. Bought H. B. Bryant's note of \$400, due in 3 months, at a discount of \$6. Paid net cash, \$394. 5. Paid cash, less discount, for the following notes: J. Smith's, having 20 ds. to run, \$300—discount off, \$1; C. E. Stuart's, 15 ds. to run, \$275—discount off 69¢; J. H. Pollock's, 17 ds. to run, \$350—discount off, \$1.05. 6. Received cash for J. Smith's note, now due, \$———. 7. Paid out C. E. Stuart's note, to apply at face value on J. Rantoul's account, \$———. 8. Received E. G. Folsom's note, at 30 ds., in full of account, \$210. 9. Paid cash for F. Goodman's acceptance of \$400, favor of G. A. Gaskell, at 30 ds.—discount allowed, \$2. 10. J. Parton pays his note of \$129 in cash, with the accumulated interest thereon of \$3.50.

Required, the notes and acceptances on hand.

IV. BILLS PAYABLE ACCOUNT.

§ 28.—1. The Object. To record our issues of notes and our acceptances of drafts—and to show, at any time, our *out-standing paper*.

§ 29.—2. The Method. When we *issue* a note, or *accept* a draft, the face or amount of such paper is entered on the *credit* side of the account, and when we *redeem* such paper its face or amount is entered on the *debit* side of the account. The difference, if any, will express *the amount of paper we have outstanding*.

30.—EXAMPLE OF BILLS PAYABLE ACCOUNT.

			Dr. Bills Payable.		Cr.
Items.			Our promises red'd.		Our promises issued.
1. Issued our note to Peter Cooper for \$300.					1 * 300
2. Gave our note in payment for goods, \$175.	4	175			2 175
3. Accepted Jones's draft for \$150.	7	150			3 150
4. Paid our note, \$175.		325			5 * 250
5. Issued note to G. West for \$250.					6 * 100
6. Issued note to P. Roberts for \$100.					975
7. Paid our acceptance, \$150.			* 300		Issued - - - \$975
			* 250		Redeemed - 325
			* 100		Outstanding - \$650
			650		

MATERIAL FOR PRACTICE.

§ 31. (FIRST SERIES.) **Items.**—*1.* We have the following outstanding obligations: Note in favor of John Jones for \$300; note in favor of S. Whitney for \$150; acceptance, favor of Thos. Stevens, for \$450. ----- *2.* Bought merchandise of H. Clark, and gave our note for \$475. ----- *3.* Rec'd of John Brown, in part payment for goods, our note, favor of John Jones, \$300. ----- *4.* Paid cash for our note, favor of S. Whitney, \$_____. ----- *5.* Gave our note to P. Morton, in settlement of account, \$175. ----- *6.* Accepted Peter Cooper's draft for \$200. ----- *7.* Bought goods of P. Shaft, giving in part payment our note for \$375.

Required, the amount of our outstanding paper.

§ 32. (SECOND SERIES.) **Items.**—*1.* Bought goods of C. C. Bowen, giving our note for same, \$375. ----- *2.* Accepted J. Smith's draft to apply on our account, \$125. ----- *3.* Exchanged notes with W. A. Miller, for our mutual accommodation, \$1000. ----- *4.* Sold merchandise to A. Brown, receiving therefor our note, favor of C. C. Bowen, \$_____. ----- *5.* Accepted G. A. Gaskell's draft, at 10 ds., to apply on our account, \$250. ----- *6.* Sold goods to A. J. Rider for \$1500, receiving in part payment therefor, our note, favor of W. A. Miller, \$_____; cash for balance. ----- *7.* Bought of Stewart & Co., on our note at 30 ds., goods for \$350. ----- *8.* Paid our acceptance, favor of G. A. Gaskell, in cash, \$_____. ----- *9.* Bought goods of Peake, Opdyke & Co., amounting to \$675. Paid cash, \$425; our note at 30 ds. for balance, \$_____

Required, our outstanding paper.

§ 33. (THIRD SERIES.) **Items.**—*1.* Have the following outstanding notes: one in favor of Smith & Bailey, due in one month, for \$635; one, favor of Thomas Acton, due in 17 days, for \$500. ----- *2.* Bought goods of White & Taylor for \$1500; paid cash, \$375; our note at 3 months for balance, \$_____. ----- *3.* Sold goods to Jones & Smith for \$720; received in part payment, our note, favor of Smith & Bailey, for \$_____; cash for balance. ----- *4.* Exchanged notes with Thomas Horton, for our mutual accommodation, each at 30 ds., for \$150. ----- *5.* Redeemed our note, favor of White & Taylor, now due, in cash, \$_____. ----- *6.* Sold goods to J. Woolson, receiving in full payment our note, favor of Thomas Acton, \$_____. ----- *7.* Bought goods of Jaffray & Co. for \$575; paid cash, \$175; our note at 30 ds. for balance, \$_____. ----- *8.* Accepted Benj. Wise's draft at 30 ds., to apply on account, \$150. ----- *9.* Paid cash for our accommodation note, favor of Thomas Horton, \$_____; less discount for 15 ds., \$0.38. ----- *10.* Redeemed our note, favor of Jaffray & Co., before due, \$_____, paying cash for same, less discount for 20 ds., \$3.33.

Required, our outstanding paper.

§ 34. — The purpose of business is to acquire wealth, and business enterprises are undertaken and pursued to this end. All such enterprises, however, are attended with more or less risk, and oftentimes the effort put forth to *gain* results in *loss*.

§ 35. — Hence, accounts which exhibit the progress of the business must be susceptible of showing either a gain or a loss. As in Cash account, *receipts* and *payments* are placed against and cancel each other, the difference being the cash on hand, so in these accounts of the business, *cost* and *returns* oppose each other, the difference being the *gain* or *loss*.

§ 36. — The accounts used to mark these enterprises are various, as the enterprises themselves are various, and the names of the accounts are generally significant of the operations grouped under them. In a business of buying and selling goods, *Merchandise* account is commonly used; in a manufacturing business, *Manufacturing* or *Manufactures* account; in a professional business, *Service* or *Labor*; in a commission or agency business, *Commission*, etc., etc.

§ 37. — The accounts which follow are all of this class; and while they, by no means, embrace the entire list, they are intended to be fairly representative of the class.

V. MERCHANDISE ACCOUNT.

§ 38. — 1. The Object. To show our dealings in merchandise, and the result of such dealings as to *gain* or *loss*.

§ 39. — 2. The Method. When goods are purchased, or any cost is incurred for which merchandise is responsible, the account should be *debited* with the *cost*; and when goods are sold, or when they produce value in any way, the account should be *credited* with the *returns*. When the goods are all disposed of, the difference between the two sides of the account, as it stands, will be the *gain* or *loss*. If it is desired to show, in the account itself, the gain or loss *before the goods are all disposed of*, it will be necessary to add to the credit side of the account, the present market value of the unsold goods, or what it would cost to replace them.

§ 40.—EXAMPLE OF MERCHANDISE ACCOUNT.

		<i>Dr.</i> Merchandise.		<i>Cr.</i>	
Items.		Cost.		Returns.	
1.	Bought goods of Simpson & Co. for \$500.	1	500	3	137 50
2.	Bought goods of J. McCreery for \$950.	2	950	4	75
3.	Sold goods to Isaac Moore for \$137.50.		1450	5	37 50
4.	Sold goods for cash, \$75.			6	129 50
5.	Sold goods for cash, \$37.50.			7	1169 50
6.	Sold goods to A. S. Hewitt for \$129.50.				1549 00
7.	Value of unsold goods, \$1169.50.				
				Returns - -	\$1549
				Cost - - -	1450
				Gain - - -	\$99

MATERIAL FOR PRACTICE.

§ 41. (FIRST SERIES.) **Items.**—1. Bought goods, on $\frac{1}{2}$, of J. M. Stuart, \$750. ----- 2. Paid cash for freight and cartage on above goods, \$75. ----- 3. Sold goods to J. Jones for cash, \$125. ----- 4. Sold goods to E. R. Felton, on $\frac{1}{2}$, \$47.50. ----- 5. Sold goods to W. H. Sadler, receiving his note therefor, \$150. ----- 6. Bought goods of J. McCreery, giving our note for same, \$1259.75. ----- 7. Paid cash for insurance on goods, \$12.50. ----- 8. Sold goods for cash, as per petty cash-book, \$35.19. ----- 9. Value of goods unsold, \$1789.56.

Required, the gain or loss.

§ 42. (SECOND SERIES.) **Items.**—1. Bought for cash, 200 brls. Flour, at \$10 per brl., \$———. ----- 2. Bought on our note at 30 ds., 500 bush. Wheat, at \$1.50, \$———. ----- 3. Sold for cash, 50 brls. Flour, at \$11, \$———. ----- 4. Paid cash for storage, \$75.* ----- 5. Paid cash for clerk hire, \$25. ----- 6. Sold for cash, 100 bush. Wheat, at \$1.75, \$———. ----- 7. Sold B. Hill on his note at 10 ds., 150 bush. Wheat, at \$1.73, \$———. ----- 8. Our goods unsold consist of 150 brls. Flour, worth \$11 per brl., \$1650; 250 bush. Wheat, worth \$1.75 per bush., \$437.50 = \$2087.50.

Required, the gain or loss.

* Items of expense, like this and in the succeeding record, are sometimes charged to a separate account, but they are a part of the general *cost* of merchandise, and are so considered here.

§ 43. (THIRD SERIES.) **Items.**—*1.* Merchandise on hand, \$3750.*
 *2.* Bought of Arnold & Constable on %, invoice of Silks, at \$1500.
3. Sold for cash, 40 yds. Silk, at \$2, \$———. *4.* Sold for cash, bill
 of Hosiery and Domestics, amounting to \$125. *5.* Sold for cash, bill
 of Fancy Goods, \$212.50. *6.* Sold J. Mott on %, bill of assorted Dry
 Goods, amounting to \$318.75. *7.* Paid cash for insurance premium,
 covering goods in store, \$50. *8.* Bought for cash 53 pcs., 2500 yds.,
 Prints, at 5½ cents per yard, \$———. *9.* Sold for cash 512 yds. Prints,
 at 7¢, \$———. *10.* Bought for cash 3 cases, 2500 yds., Gingham, at
 12½¢, \$———. *11.* Sold for cash 317 yds. Gingham, at 14¢, \$———.
 *12.* Sold John Brown on his note at 10 ds., 750 yds. Prints, at 7½¢,
 \$———. *13.* Goods on hand valued at \$3800.

Required, the gain or loss.

VI. REAL ESTATE ACCOUNT.

§ 44.—*1. The Object.* To show our dealings in and on account of real estate.

§ 45.—*2. The Method.* The account is *debited* for all *costs* and *credited* for all *returns*; the difference between the two sides, *when all the facts are shown*, will be the *gain* or *loss*.

[NOTE.—The *costs* of Real Estate cover not only purchases, but all subsequent expenditures for improvements, etc.; and the *returns* cover not only sales, but income from rents and the real value of the property on hand.]

§ 46.—EXAMPLE OF REAL ESTATE ACCOUNT.

		<i>Dr.</i> Real Estate.		<i>Cr.</i>	
Items.		Cost.		Returns.	
<i>1.</i> Bought House and Lot in Seventh St. for \$35000.		<i>1</i>	35000	<i>5</i>	3000
<i>2.</i> Paid for repairs on same, \$1500.		<i>2</i>	1500	<i>6</i>	37500
<i>3.</i> Paid for insurance, \$10.		<i>3</i>	10		40500
<i>4.</i> Paid for taxes, \$317.50.		<i>4</i>	317		
<i>5.</i> Received for rent, \$3000.			50		
<i>6.</i> Sold the property for \$37500.			36827		

Returns - \$40500
 Cost - - 36827.50
 Gain - - \$3672.50

* The merchandise on hand at the beginning of business should be regarded the same as a purchase, and charged for its purchase value.

MATERIAL FOR PRACTICE.

§ 47. (FIRST SERIES.) **Items.**—*1.* Bought Tenement property in Spring St. for \$40000. ----- *2.* Bought House and Lot in Banks St. for \$15000. ----- *3.* Paid for repairs on Spring St. house, \$875. ----- *4.* Received cash for rent of Spring St. house, \$200. ----- *5.* Received cash for rent of Spring St. house, \$375. ----- *6.* Paid Water tax, Banks St. house, \$15. ----- *7.* Paid for repairs, Banks St. house, \$93.75. ----- *8.* Paid taxes Spring St. house, \$417.50. ----- *9.* Paid for insurance on both houses, viz. Spring St., \$75; Banks St., \$25. ----- *10.* Received for rent of Banks St. house, \$1200. ----- *11.* Received for rent, Spring St. house, \$2500. ----- *12.* Value of Spring St. property, \$42500; of Banks St. property, \$12500.

Required, the gain or loss.

§ 48. (SECOND SERIES.*) **Items.**—*1.* Have on hand, Store Building in Tremont St., worth \$60000; Dwelling House in Beacon St., worth \$25000. ----- *2.* Bought Warehouse property on Charles River for \$150000 cash. ----- *3.* Received cash for rent of Beacon St. house, \$125. ----- *4.* Paid cash for insurance on Warehouse, \$750. ----- *5.* Received cash for rent of Warehouse, one month, \$1200. ----- *6.* Paid taxes on Tremont St. property, \$575. ----- *7.* Received cash for rent of Tremont St. Stores, \$2000. ----- *8.* Received cash for rent of offices, Tremont St. Building, \$1500. ----- *9.* Warehouse consumed by fire; received cash in settlement of losses, \$75000. ----- *10.* Estimated value of Beacon St. property, \$25000; of Tremont St. Building, \$65000; of Lot on Charles River, \$64000.

Required, 1st, the gain or loss on the property together; 2d, the gain or loss on each piece of property.

§ 49. (THIRD SERIES.) **Items.**—*1.* We own the following property: Farm in Dutchess County, with improvements, worth \$20000; Dwelling House in East Seventy-third St., worth \$30000; Stock Farm near Trenton, N. J., worth \$25000—Total, \$75000. ----- *2.* Paid cash for fertilizers for Dutchess Co. Farm, \$150. ----- *3.* Paid cash for help, Dutchess Co. Farm, \$75. ----- *4.* Paid plumber's bill for Seventy-third St. House, \$125. ----- *5.* Received cash for pasturage, Stock Farm, \$150. ----- *6.* Paid cash for insurance, Seventy-third St. House, \$25. ----- *7.* Paid cash for farming implements, Dutchess Co. Farm, \$37.50. ----- *8.* Paid cash for yoke of oxen, Dutchess Co. Farm, \$120. ----- *9.* Received cash for rent, Seventy-third St. House, \$750. ----- *10.* Paid cash for repairing fences, Stock Farm, \$17.50. ----- *11.* Paid cash for blacksmith bill, Dutchess Co. Farm, \$28. ----- *12.* Rec'd cash for horse board, Stock Farm, \$259. ----- *13.* Sold produce for cash, Dutchess Co. Farm, \$317. ----- *14.* Sold Seventy-third St. House for \$25000 cash. ----- *15.* Paid cash for stable repairs, Stock Farm, \$75. -----

* These transactions may be placed to one account, *Real Estate*, or to separate accounts, as *Tremont St. Store*, *Beacon St. House*, etc. Both plans are suggested.

16. Received cash for produce, Dutchess Co. Farm, \$513.75. - - - - **17.** Rec'd cash for horse board, Stock Farm, \$432.50. - - - - **18.** Estimated value of Stock Farm, \$22000. - - - - **19.** Estimated value of Dutchess Co. Farm and appurtenances, \$20000.

Required, the gain or loss in each enterprise.

VII. SHIPMENT, OR ADVENTURE ACCOUNT.

§ 50.—1. The Object. To show *the gain or loss* on goods sent away to be sold on account of the shipper.

§ 51.—2. The Method. When the goods are shipped, or expense is incurred, the account is *debited* with the *cost*, and when an account of the sales is received it is *credited* with the *returns*. The difference will be the *gain or loss*.

§ 52.—EXAMPLES OF SHIPMENT ACCOUNT.

Items.

1. Shipped goods from store to Jackson & Co., Philadelphia, to be sold on our %, at a cost of \$1575.

2. Shipped from store to Justin & Poole, Boston, for our account, 5 hlds. Sugar, at a cost of \$1042.50.

3. Bought for cash and shipped Simpson & Mead, Toronto, for our account, 15 brls. Mess Pork, \$315; paid freight on same, \$35 = \$350.

4. Received an account of the sales of Philadelphia shipment; net proceeds remitted, \$1750.

5. Shipped Brown & Co., Jacksonville, from store, consignment of Pork, at a cost of \$543.75.

6. Received account of sales of shipment to Toronto, the net proceeds of which are \$317.50.

7. The two shipments remaining unsold are valued at cost.

[NOTE.—These items involve four shipment accounts, two of which only are illustrated.]

Dr. Shipment to Philadelphia. *Cr.*

Cost.			Returns.		
1	1575		4	1750	

Returns - - \$1750

Cost - - - 1575

Gain - - - \$175

Dr. Shipment to Boston. *Cr.*

Cost.			Returns.		
2	1042	50	7	1042	50

Canceled.

MATERIAL FOR PRACTICE.

§ 53. (FIRST SERIES.) **Items.**—**1.** Shipped from our stock to Paul Brown, Boston, 25 boxes Cheese, 850 lbs., at 20¢, \$170; paid freight on same in cash, \$12.50, \$———.-----**2.** Shipped Jacob Sterne, Portland, from our stock, 20 kegs Ohio Butter, 1490 lbs., at 35¢, \$521.50.-----**3.** Paid cash for insurance on shipment to Portland, \$5.21.-----**4.** Received account of sales of shipment to Boston, the net proceeds of which are \$152.50.-----**5.** Bought for cash and shipped Hazzard & Brown, St. Louis, 15 hhds. Molasses, 1775 gals., at 80¢, \$———.-----**6.** Paid cash for insurance and freight on shipment to St. Louis, \$27.50.-----**7.** Received account of sales of shipment to Portland, the net proceeds of which are stated at \$659.50.-----**8.** The Molasses shipped to St. Louis was destroyed *en route*, by the burning of the freight car. Received in cash from Insurance Co. the amount called for on our policy, \$1000.

Required, the gain or loss on the several shipments.

§ 54. (SECOND SERIES.) **Items.**—**1.** Shipped from store to G. Cleveland & Co., Buffalo, for our account, 15 hhds. Sugar, 14000 lbs., at 5½¢, \$770; 15 tierces Rice, 7500 lbs., at 4¢, \$300; 20 bags Coffee, 1670 lbs., at 15¢, \$250.50; freight on same, \$175—Total, \$———.-----**2.** Shipped G. Cleveland & Co., Buffalo,* for our account, 12 hhds., N. O. Molasses, 20 gals., at 42¢, \$302.40.-----**3.** Bought for cash, and shipped Bannister & Cross, Philadelphia, for our account, 20 kegs Orange Co. Butter, 1500 lbs., at 29¢, \$435.-----**4.** Paid cash for freight on above shipment, \$10.-----**5.** Paid cash for insurance, *in transitu*, on shipments to Buffalo, \$14.-----**6.** Rec'd an account of the shipments to Buffalo, the net proceeds, held by consignee, being \$2275.-----**7.** The value of the property shipped to Philadelphia is estimated at cost.

Required, the gain or loss on the several shipments.

VIII. COMMISSION AND SERVICE ACCOUNT.

§ 55.—**1. The Object.** To show the returns from personal services.

§ 56.—**2. The Method.** Usually, the entries will be on the credit side alone, as the result of a service to the person rendering it should be a *gain*, if anything. There may be offsets, however, which should appear on the debit side. When services produce *returns*, the account should be *credited*, and when they

* Let the different shipments to this firm be entered in one account, under the head of "Shipments to Buffalo."

subject us to *cost*, it should be *debited*. The difference will ordinarily be a *gain*, but may possibly be a *loss*.

[It may seem anomalous that one can *lose* by rendering service; and yet such a thing is possible. The intent, and the legitimate outcome of service, however, is to gain.]

§ 57. — EXAMPLE OF SERVICE ACCOUNT.

Items.

(THE BUSINESS OF A DOCTOR.)

1. Received cash for professional services, \$37.50.
2. Paid cash for instruments, \$5.
3. Received cash for surgical operation and attendance, \$117.50.
4. Paid cash for office boy's services, \$10.
5. Rendered bill to John Drew for attendance on family, \$93.75.
6. Paid cash for horse board, \$30.
7. Received cash during the week for office practice, \$125.
8. Paid cash for medicines, \$25.
9. Received cash for medical attendance, \$59.75.
10. Paid cash for office rent, \$50.

Dr. Profession. Cr.

Cost.			Returns.		
2	5		1	37	50
4	10		3	117	50
6	30		5	93	75
8	25		7	125	
10	50		9	59	75
	120			433	50

Returns - \$433.50
 Cost - - 120
 Gain - - \$313.50

MATERIAL FOR PRACTICE.

§ 58. (FIRST SERIES.) THE BUSINESS OF A LAWYER. Items. —

1. Received cash as retaining fee in the case of Rollins *vs.* French, \$50. - - - -
2. Paid amanuensis cash, \$25. - - - -
3. Received cash in full for services in the Jones' Will case, \$975. - - - -
4. Paid office rent, \$50. - - - -
5. Paid cash for attorney's assistance, \$75. - - - -
6. Received cash in full for services in Rollins *vs.* French, \$375. - - - -
7. Paid cash for copy of Revised Statutes, \$7. - - - -
8. Paid cash for stationery, \$17.50. - - - -
9. Received cash for services in searching title and drawing up deeds, \$75.

Required, the net returns.

§ 59. (SECOND SERIES.) THE BUSINESS OF A REAL ESTATE AGENT.

- Items. —
1. Received cash of Mrs. Folke, commission for selling her house in West Nineteenth St., \$125. - - - -
 2. Paid cash for stationery, \$6.50. - - - -
 3. Paid cash to office boy, \$5. - - - -
 4. Received cash, commission for renting house in Fifth Ave., \$67.50. - - - -
 5. Received cash, commission on auction sales, \$117.50. - - - -
 6. Paid Lawyer's fees, \$20. - - - -
 7. Rented Goldsmith's house in West Tenth St., for which he owes us commission, \$90. - - - -
 8. Received cash for my percentage on collections this week, \$210. - - - -

9. Received cash for making out conveyance, \$17.50. - - - - 10. Paid gas bill in cash, \$7. - - - - 11. Received cash, commission for sale of building-lot on Western Boulevard, \$57.

Required, the net returns.

IX. INTEREST ACCOUNT.

§ 60. — 1. The Object. To show the *gain* from lending and the *loss* from borrowing money.

§ 61. — 2. The Method. When we use other people's money we *pay* for the use, and when other people use our money we *get paid* for the use. In the first case, interest *costs* us value, and in the second, interest produces or *returns* us value. When we *pay* for interest we *debit* the account, and when we *get paid* we *credit* it. The difference between the sides will thus, at any time, show the gain or loss.

§ 62. — EXAMPLE OF INTEREST ACCOUNT.

Items.
 1. Paid cash for our note of \$2000, favor of John Mills, and for interest thereon, \$75.60. - - - 2. Paid cash for our note of \$1000, due 60 days hence, less interest thereon, \$10.* - - - 3. Received cash for stated interest due on on note, \$19.50. - - - 4. Received cash for interest on Government bonds, \$150. - - - 5. Paid cash for our note of \$1000, due in 45 days; allowance for discount, \$15.† - - - 6. Received cash for Jones's note of \$5000, due in 60 ds., less discount for the time, \$50.‡ - - - 7. Bought for cash Stuart's note of \$4000, due in 70 ds., at a discount of \$46.67.§

Required, the gain or loss on interest.

Dr.			Interest.			Cr.	
Cost.			Returns.				
1	75	60	2	10			
6	50		3	19	50		
	125	60	4	150			
			5	15			
			7	46	67		
				241	17		
			Returns - - \$241.17				
			Cost - - - 125.60				
			Gain - - - \$115.57				

* If we pay a note before it is due, the person to whom the money is paid *has the use* thereof for the unexpired time, and *pays us* for it in *abatement* of the amount payable at due date.

† At the end of 45 days, when our note is due, we are to pay for it \$1000. By paying for it now, surrendering the use of our money for 45 days, we get an abatement, or *discount*, of \$15—really *receive* \$15 for interest.

‡ This note pledges to us \$5000 in 60 days. As we want the money *now*, we are required to pay for the use of it for the unexpired time, the interest rate, \$50. Hence, interest costs us \$50.

§ This transaction is similar to that of the 5th, the only difference being that in the previous case we discount our own note, and in this we discount another's. In both instances we get paid for the use of our money.

MATERIAL FOR PRACTICE.

§ 63. (FIRST SERIES.) **Items.**—**1.** We have on hand notes upon which interest has accumulated, as follows: P. Jones's note of \$500, interest, \$75; H. Durand's note of \$1500, interest, \$50.* ----- **2.** Bought for cash Hiram Power's note of \$3000, due in 60 ds., at a discount of \$30. ----- **3.** Sold for cash, P. Jones's note of \$5000, with interest on same, \$90. ----- **4.** Received cash for our note of \$10000, due in 90 ds., less discount for the time, \$150.† ----- **5.** H. Durand paid for his note of \$1500, and interest thereon, \$80. ----- **6.** Received cash for interest on Government bonds, \$175. ----- **7.** Paid cash for semi-annual interest on mortgage, \$30.

Required, the gain or loss.

§ 64. (SECOND SERIES.) **Items.**—**1.** Have on hand the following notes with accumulated interest, as stated: John Seaman's of \$2000—interest, \$17.50; Robert Holt's of \$1500, interest, \$10.30; James Harrington's of \$3000—interest, \$14.75. ----- **2.** Bought for cash J. Simpson's note of \$2500, due in 90 days, at a discount of \$37.50. ----- **3.** Received cash for Robert Holt's note, \$1500, and interest on same, \$19.30. ----- **4.** Got our note of \$2000 discounted for 30 days, receiving cash for the face, less interest for the time, \$10. ----- **5.** Paid cash for interest on mortgage, \$27.50. ----- **6.** Received credit for interest on balance in Savings Bank, \$62.50. ----- **7.** Paid net cash in full of J. Astor's account of \$1500, due three months hence; abatement for interest, \$22.50. ----- **8.** Received cash for John Seaman's note of \$2000, and interest on same, \$32. ----- **9.** We hold James Harrington's note of \$3000, on which there is accumulated interest of \$25.‡ ----- **10.** We hold J. Simpson's note of \$2500, having 30 days to run. The interest for that time is \$12.50.§

Required, the gain or loss.

X. SECURITIES ACCOUNT.

§ 65.—**1. The Object.** To show the gain or loss from dealing in securities. ||

* Interest account should be debited with these amounts for the same reason that Merchandise account is debited with the value of merchandise on hand at the beginning of business. The transaction is equivalent to buying the notes with interest added.

† We paid \$150 for the use of \$9850, ninety days.

‡ This item should be entered as inventory on the credit side of the account.

§ We have already credited Interest, the full discount on this note for 90 days, \$37.50. There are thirty days yet unexpired, and we should, therefore, debit the account with the interest for this time.

|| By securities is meant any form of written guarantee for the payment of money. These are of various kinds, and may include even promissory notes and acceptances; but the class of securities *dealt in* are usually the issue, either in the form of stocks or of bonds

§ 66.—2. The Method. When stocks or bonds are bought, or cost anything, the account should be *debited* with the *cost*, and when sold, or when they produce value in any way, the account should be *credited* with the *returns*. The difference will be the *gain* or *loss*.

§ 67.—EXAMPLE OF SECURITIES ACCOUNT.*

Items.

Dr. Securities. Cr.

1. Have on hand 4000 U. S. Registered 3's,† at $101\frac{1}{2}$, \$4060; 1000 Michigan Central Stock, at 95, \$950—Total, \$5010. --- 2. Bought for cash 200 Mutual Un. Tel. Stock, at $21\frac{1}{2}$, \$43; 1000 St. Paul & Duluth (preferred), at 93, \$930—Total, \$973 --- 3. Sold for cash 500 St. Paul & Duluth (preferred), at $94\frac{1}{2}$, \$472.50. --- 4. Bo't for cash 1000 N. Y. Central R. R. Stock, at $126\frac{1}{2}$, \$1265. --- 5. Received cash dividend on Mich. Central Stock, 4 per cent, \$40. --- 6. Sold for cash Mich. Central R. R. Stock, 1000, at $96\frac{1}{2}$, \$965. --- 7. Bought for cash 2500 Oregon Improvement Mortgage Bonds, at 90, \$2250. --- 8. Sold for cash 200 Mutual Un. Tel. Stock, at 23, \$46. --- 9. Have remaining on hand 4000 U. S. Registered 3's, worth 102, \$4080; 1000 N. Y. Central Stock, worth \$124, \$1240; 500 St. Paul & Duluth (preferred), worth 96, \$480; 2500 Oregon Improvement Mortgage Bonds, worth 91, \$2275—Total, \$8075.

Cost.		Returns.		
1	5010	3	472	50
2	973	5	40	
4	1265	6	965	
7	2250	8	46	
	9498	9	8075	
			9598	50

Returns - \$9598.50

Cost - - 9498

Gain - - \$100.50

§ 68.—Instead of keeping a general Securities account, separate accounts may be kept with each class of securities. The following examples will show this method. [The items are the same as those used in the general account.]

of incorporated companies. The distinction between stocks and bonds is an important distinction; stocks are the proprietary shares of corporate enterprises, representing the invested capital, and depending for income upon the financial success of the enterprises, while bonds are the bills payable of the corporation issued to guarantee the payment of borrowed money, with interest thereon. Thus, the income from shares or stocks is through the earnings of the business in form of dividends; and the income from bonds is in the shape of interest. Securities are bought and sold on speculation, the same as merchandise and other commodities.

* Examples are here given, first of a general Securities account, and next of separate accounts under distinctive titles, of the several securities.

† "U. S. Registered 3's" are the 3 per cent Registered Bonds of the Government. The nominal value is \$4000, the real value, at $1\frac{1}{2}$ per cent premium, \$4060.

Dr. U. S. Registered 3's. *Cr.* *Dr.* Michigan Central Stock. *Cr.*

Cost.			Returns.		
1	4060		9	4080	

Cost			Returns.		
1	950		5	40	
			6	965	

Dr. Mutual Un. Tel. Stock. *Cr.*

Cost.			Returns.		
2	43		8	46	

MATERIAL FOR PRACTICE.

§ 69. — **Items.** — **1.** Bought for cash 1000 Chicago & Alton R. R. Stock at $129\frac{1}{2}$, \$1295. — — — — **2.** Bought for cash 2500 Missouri Pacific R. R. Stock, at $99\frac{3}{8}$, \$2490.62. — — — — **3.** Sold B. Scott, on %, 500 Chicago & Alton, at $131\frac{1}{4}$, \$656.25. — — — — **4.** Bought of Roberts & Co., on %, 1500 Delaware & Hudson Canal, at $107\frac{1}{2}$, \$1612.50. — — — — **5.** Received cash dividend of 4 per cent on 2500 Missouri Pacific, \$100. — — — — **6.** Bought for cash 2000 Delaware & Hudson Canal, at 106, \$____. * — — — — **7.** Bought for cash 2000 Chicago & Alton, at 132, \$____. — — — — **8.** Sold for cash 3500 Delaware & Hudson Canal, at $102\frac{1}{2}$, \$____. — — — — **9.** Bought, on our note at 10 ds., 2500 Georgia Central (guaranteed) First Mortgage Bonds, at 111, \$____. — — — — **10.** Received cash for semi annual interest on Georgia Central 1st Mortg., $3\frac{1}{2}$ per cent on \$2500, \$87.50. — — — — **11.** Sold for cash 1500 Georgia Central 1st Mortg., at 113, \$____. — — — — **12.** Bought for cash 3000 Met. Elevated R. R. Stock, at 85, \$____. — — — — **13.** Sold J. Paton, on his note at 30 ds., 1500 Met. Elev., at $83\frac{1}{2}$, \$____. — — — — **14.** Received semi-annual cash dividend of 5 per cent on 1500 Met. Elev., \$75. — — — — **15.** Sold for cash 1500 Met. Elev., at $87\frac{1}{2}$, \$____. — — — — **16.** Have on hand 2500 Chicago & Alton, worth 129; 1000 Georgia Central (preferred), worth $117\frac{1}{2}$; 2500 Missouri Pacific, worth $97\frac{3}{4}$.

Required, the gain or loss on the securities as a whole, and on the separate classes.

* Railroad stocks are issued in *shares* of \$100 each. Instead of stating the quantity of purchase and sale in this way, however, we give the *nominal* price of the entire transfer. Hence, instead of saying, as in this instance, 20 shares of Del. & Hud. Canal, at \$106 per share, we say, in effect, \$2120 of nominal value in Del. & Hud. Canal at a premium of 6 per cent.

XI INCIDENTAL ACCOUNTS.

§ 70. — The purposes of business often require the keeping of separate accounts with the various departments of outlay or expense, embracing items which belong to, and are a part of, the main business account; such, for instance, as rent, clerical or other labor, office expenses, fixtures, commission (causing outlay), interest (when it is an expense), etc. Sometimes these items, or the most of them, are brought into one account, Expense; and unless there are particular reasons for keeping them separate, this is a proper course to pursue. The Expense account is thus an account of convenience, and may be said, in general terms, to contain *items of expenditure not charged to any other account*.*

§ 71. — There are cases, also, where a general Expense account would seem to be absolutely necessary—such, for instance, as in a business having co-ordinate departments or divisions, and where such items as rent, salaries, gas, and stationery apply to all the departments without the means of knowing at the time what would be an equitable apportionment. It is customary, under such circumstances, to keep a general Expense account during the running of the business, and at the end of each fiscal period to adjust the proportions according to the ascertained facts.

§ 72. — What may be said of Expense account, therefore, may be said of any one of the accounts embraced under the general title of “incidental.” The first thing that should be said is that it is not expected that any account of this class will show a gain; and if such a thing should by any possibility occur, it will appear that the items would more properly have been placed in another account. However, the same rule for debits and credits which applies to any business account applies here, viz.: they are *debited for cost* and *credited for returns*—the difference being a net *loss* or a net *gain*.

* The Expense account is not susceptible of exact definition, for the reason that scarcely any two persons use it under the same limitations. To say that it covers the cost of carrying on the business, would leave nothing to be charged to Merchandise, or any other of the main business accounts—as all outlay, of whatever kind, is for the purpose of “carrying on the business.” If an Expense account is kept at all, it is of little moment what class of items is placed in it, so long as its limits are clearly understood, and the student is not inadvertently led to suppose that an Expense *business* might possibly be a good business to follow.

§ 73. — EXAMPLE OF EXPENSE ACCOUNT.

Items.	Dr.		Expense.		Cr.	
	Cost.		Returns.			
1. Paid cash for stationery, \$25.	1	25		10	15	
2. Paid cash for gas bill, \$18.75.	2	18	75			
3. Paid cash for rent, \$125.	3	125				
4. Paid cash for janitor's services, \$50.	4	50				
5. Paid cash for repairs, \$17.50.	5	17	50			
6. Paid for postage stamps, \$5.	6	5				
7. Paid for revenue stamps, \$3.	7	3				
8. Paid for advertising, \$45.	8	45				
9. Paid for coal, \$62.50.	9	62	50			
10. Received cash for desk-room in office, \$15.*		851	75			
Cost - - \$351.75 Returns - - 15 Loss - - \$336.75						

MATERIAL FOR PRACTICE.†

§ 74. — Items. — 1. Paid cash for office fixtures, \$210. 2. Paid cash for books and stationery, \$17.50. 3. Paid cash for clerk hire, \$87.50. 4. Paid cash for reflooring warehouse, \$150. 5. Paid gas bill, \$17.50. ‡ 6. Paid coal bill, \$22. ‡ 7. Paid for rent, three months in advance, \$500. 8. Paid cash for office safe, \$325. 9. Paid for extra services in moving goods, \$37.50. 10. Paid for insurance on goods in store, \$62.50. 11. Paid for insurance on goods, *in transitu*, § \$25. 12. Paid Janitor's wages, \$50. 13. Paid for new Ledger, \$19.50. 14. Paid for advertising, \$45. 15. Paid for printing, \$15. ‡ 16. Paid for repairing skylight, \$150. 17. Paid for gas fixtures, \$42.75. 18. Paid for office partition,

* This item will, of course, go to the credit of Expense account, the effect being to reduce our rent expenses. In the same way we might relet our space at such favorable rates that instead of our rent being a net outlay, it might be a source of profit. This is simply a possible contingency, and not in any sense the idea of an Expense account.

† These items may be written up first, under a general Expense account, and next under distinct heads, viz.: Rent, Fixtures, Stationery, Repairs, Services, Insurance, and Expense.

‡ Items not provided for by special accounts should go to Expense.

§ That is, goods shipped to us, as per our order. The insurance is against loss by fire or shipwreck.

\$117.50.* - - - - 19. The value of articles charged to Fixtures account is placed at \$500.† - - - - 20. The value of unexpired rent which has been paid for is \$166.67.‡

Required, the condition of the several accounts.

XII. PROPRIETARY ACCOUNTS.

§ 75. — The relation which a proprietor sustains to his business is *personal*, and the account which shows that relation is kept like any personal account. Its object is to denote the proprietor's *investment* or *deficiency*—in other words, what the business owes him, or what he owes the business. The account is *credited* with all sums *invested* and *debited* with all sums *withdrawn*, the difference being the net *investment* or the *deficiency*.

§ 76. — This is true whether there be one proprietor or more. It is sometimes the custom in case of a single proprietor to keep the investment account under the title of "Stock," rather than the proprietor's name; but there is no good reason for it, and the practice is apt to mislead a learner. In partnerships, the investment is entered under the partners' names; and in joint stock business, under the general title of "Capital Stock."

§ 77. — It is proper, in any case, for a proprietor to have two accounts—one, an investment account, and the other, a private or strictly personal account. In such case the investment account would contain only the more permanent items which affect the investment, and the private account would denote the temporary dealings of the proprietor with his business.

* This item presents one of the difficulties that is likely to occur in keeping separate accounts for expenditures. There may easily be a doubt as to whether it should be charged to Repairs or Fixtures. The question must be settled arbitrarily, and according to the best judgment in each case.

† The Fixtures account is meant to cover that part of the expenses of the business indicated by its title, but it does not follow that the amount paid for fixtures is an absolute loss. In estimating the loss it is proper to credit the account with the value inhering in the property—that is, what the property could be sold for.

‡ As Rent account has been debited with the cost of rent for three months, and we are estimating the gains and losses for only two months, it is plain that the cost for the unexpired month should be deducted—in other words, credited, leaving the account to show the net cost for the two months.

§ 78.—EXAMPLES OF PROPRIETARY ACCOUNTS.

1. SINGLE PROPRIETORSHIP.

(One account.)

Items.

1. The proprietor invests \$5000 cash.
2. Draws out for private use, \$50.
3. The business assumes to pay a debt for him of \$150.
4. He transfers to the business from his private Ledger personal accounts (receivable), as follows :
H. E. Hibbard, \$500 ; D. R. Lilibridge, \$325.
5. The net gain of the business is \$2100, which is to remain as additional investment.

Dr. Proprietor. Cr.

Withdrawals.			Investments.		
2	50		1	5000	
3	150		4	825	
	200		5	2100	
				7925	

Investments - - \$7925

Withdrawals - - 200

Net investment - \$7725

2. PARTNERSHIP—TWO PROPRIETORS.

(One account each.)

The partners are C. Monroe and J. Parker.

Items.

1. Monroe invests cash, \$2500.
2. Parker invests his stock of goods, valued at \$5000.
3. Monroe makes over to the concern certain notes, worth \$575.
4. Parker draws out for personal use, \$200.
5. The concern assumes a private debt of Monroe's to Baldwin & Co. of \$3000.
6. The concern owes Monroe on salary, \$150 ; and Parker, \$300.
7. The net loss of the business is \$1500. Monroe's share two-thirds ; Parker's one-third.

Dr. C. Monroe. Cr.

Withdrawals.			Investments.		
5	3000		1	2500	
7	1000		3	575	
	4000		6	150	
				3225	

Withdrawn - - \$4000

Invested - - - 3225

Deficiency - - \$775

Dr. J. Parker. Cr.

Withdrawals.			Investments.		
4	200		2	5000	
7	500		6	300	
	700			5300	

Invested - - - \$5300

Withdrawn - - 700

Net investment - \$4600

MATERIAL FOR PRACTICE.

§ 79. (FIRST SERIES.) SINGLE PROPRIETOR—*Two accounts.** **Items.**—**1.** Proprietor (James Smith) invests cash, \$5000.-----**2.** Adds to his investment notes and personal accounts, amounting to \$1575.-----**3.** Draws out for private use, \$150.-----**4.** Puts in cash, on private account, \$500.-----**5.** Collected on private accounts belonging to proprietor, \$175.-----**6.** Paid a personal bill for proprietor, \$87.50.-----**7.** Transferred from private account to investment account, \$400.†-----**8.** The net loss of the business is \$300, the investment being reduced by that amount.

Required, the investment at closing.

§ 80. (SECOND SERIES.) TWO PROPRIETORS—*One account each.* The partners are G. W. Brown and C. H. Peirce. **Items.**—**1.** G. W. Brown invests \$7500 cash.-----**2.** C. H. Peirce invests, in good will, \$4500.-----**3.** Peirce draws out cash, \$150.-----**4.** Paid a private debt for Peirce, \$175.-----**5.** Brown turns in some outstanding accounts of his former business, amounting to \$1750.-----**6.** Brown draws out cash, \$375.-----**7.** Peirce renders an account of extra service, for which he is allowed \$75.-----**8.** Paid a private debt for Brown of \$17.35-----**9.** One of the accounts rendered by Brown (5th item) proves worthless, and is charged back, \$125.-----**10.** Peirce pays in, cash, \$114.-----**11.** Brown's undrawn salary for the month is \$200.-----**12.** Amount due Peirce for monthly salary, \$150.-----**13.** Accepted a draft of \$1000, drawn on Peirce.-----**14.** The net gain of the business is \$1575, of which Brown is entitled to $\frac{2}{3}$ and Peirce, $\frac{1}{3}$.

Required, the net investment of each partner at the close.

§ 81. (THIRD SERIES.) THREE PROPRIETORS—*Each two accounts.* The partners are Chas. Brown, James Moore, and Robert Mason. **Items.**—**1.** James Moore invests in cash, \$7000.-----**2.** Charles Brown invests in notes, \$7500.-----**3.** Robert Mason invests in merchandise, \$8000.-----**4.** Robert Mason draws out on private account, \$150.-----**5.** Charles Brown adds to his investment, cash, \$500.-----**6.** Paid private bill for Robert Mason, \$75.-----**7.** James Moore adds to his investment, cash, \$1000.-----**8.** James Moore draws out on private account, \$150.-----**9.** Chas. Brown puts in on private account, cash, \$350.-----**10.** Paid private bill for Chas. Brown, \$200.-----**11.** The gains in the business are \$2400, each partner to be credited on his private account for one-third thereof.

Required, the standing of the investment accounts and the private accounts of each of the proprietors.

* Permanent investment items in one account (Proprietor), and current temporary dealings in the other, using the proprietor's name.

† Debit private account (James Smith) and credit investment account (Proprietor).

§ 82.—STATEMENT OF PRINCIPLES.

1. CLASSIFICATION OF ACCOUNTS.

1. Accounts are of two classes ; one class showing *resources* and *liabilities*, and the other showing *gains* and *losses*.

2. The *first* of these two classes embraces (1) CASH—exhibiting the amount on hand ; (2) PERSONS—showing what individuals owe the business, and what the business owes individuals *on open account* ; (3) NOTES AND ACCEPTANCES (under the heads of Bills Receivable and Bills Payable*)—showing what is owing to the business and what the business owes *on written promises*.

3. The *second* class embraces all records of active operations which indicate the character of the business, and point out the sources of its prosperity or its adversity. Among the accounts of this class are MERCHANDISE, REAL ESTATE, ADVENTURES, EXPENSE, INTEREST, SERVICES, etc., etc.

4. Accounts belonging to the first class are appropriately called Financial Accounts, or ACCOUNTS OF FINANCE, and those belonging to the second class, Business Accounts, or ACCOUNTS OF BUSINESS.

2. DEBITS AND CREDITS.

1. **Cash** account is *debited* when money is *received*, and *credited* when money is *paid out*.

2. **Bills Receivable** account is *debited* when other people's notes and acceptances are *received*, and *credited* when they are *disposed of*.

3. **Bills Payable** account is *credited* when our obligations are *issued*, and *debited* when they are *redeemed*.

4. A **Personal** account is *debited* when the person *gets into our debt*, or *we get out of his*, and *credited* when *we get into his debt*, or *he gets out of ours*.

5. **Proprietors' or Stockholders'** accounts are treated like other personal accounts. They are *credited* when, by investment or otherwise, the business becomes indebted to the persons, and *debited* when, by withdrawal of funds or otherwise, the persons become indebted to the business.


6. **All accounts showing gains or losses** are *debited* when that which they represent *costs value*, and *credited* when that which they represent *produces value*.

* For full explanation of Notes and Acceptances see next page.


§ 83. — NOTES AND ACCEPTANCES.

The two forms of negotiable paper owe their distinctive characteristics to the different circumstances of their origin. A *note* originates with the *payer* or maker, and is a voluntary promise; a *draft* originates with the *payee* or drawer, and is first a request, and next an affirmative response, which is, in effect, a promise. A note has necessarily two parties, the *maker* and the *payee*: a draft has three parties, the *drawer*, the *payee*, and the *drawee*. The maker of a note corresponds with the drawee of a draft, and the payee of a note with the payee of a draft; while the drawer of a draft has no equivalent in an unendorsed note—he being, in fact and in law, an endorser or guarantor. The two forms below will illustrate these points:

NOTE.

	\$1000.	New York, July 1, 1883.
	Sixty days..... after date I promise to pay to	
	the order of Peter Cooper.....	
	One Thousand.....	DOLLARS, value received.
	S. S. Packard	

DRAFT.

	\$1000.	Chicago, July 1, 1883.
	Sixty days..... after date, pay to	
	the order of Peter Cooper.....	
	One Thousand.....	DOLLARS, value received.
	H. B. Bryant.	
To S. S. Packard, New York.		

Of the *note*, S. S. Packard is the *maker*, and Peter Cooper the *payee*; of the *draft*, H. B. Bryant is the *drawer*, Peter Cooper the *payee*, and S. S. Packard the *drawee*. The undertaking in each case is that S. S. Packard shall pay to Peter Cooper, or to any one whom he may authorize to receive it, *one thousand dollars* in sixty days. When Packard, the drawee of the draft, has responded by writing his acceptance across its face, the draft will have this advantage over the note, that two persons, instead of one, will be held to the payment—for the law makes the drawer a guarantor. Hence, to make the note an exact legal equivalent of the accepted draft, it is only necessary that Bryant should *endorse* it, or write his name across the back. The three parties will then hold exactly the same relations to each other in both documents, and the two bills will be in all respects, except form, identical.

QUESTIONS.

§ 1. What is Book-keeping?—§ 2. Through what form are the dealings of a business best expressed?—§ 3. What is an Account?—§ 4. What results are shown by accounts?—§ 5. What does Cash account show?—What accounts show indebtedness to and by the business?—What name is given to notes and acceptances in our favor?—What, to notes and acceptances against us?—In what accounts are gains and losses shown?—§ 7. What is the object of Cash account?—§ 8. What is its method?—§ 14. What is the object of personal accounts?—§ 15. How are they kept?—§ 20. What are notes and acceptances?—How does a note differ from an acceptance?—§ 21. What are other peoples' notes and acceptances which come into our hands called, and why?—What are our notes and acceptances called, and why?—What does Bills Receivable account show?—What does Bills Payable account show?—§ 22. What is the object of Bills Receivable account?—How is it kept?—§ 28. What is the object of Bills Payable account?—How is it kept?—§ 34. What is the purpose of business?—Is this purpose always attained?—§ 35. What must be the quality of an account which measures the progress of the business?—What two ideas oppose each other in accounts of this kind?—§ 36. What names are given to some of the main accounts which represent the activities of business?—§ 38. What is the object of Merchandise account?—§ 39. What is its method?—In case it is desired to show the gain or loss on merchandise before it is all disposed of, what is necessary?—§ 44. What is the object of Real Estate account?—§ 45. What is the method of keeping it?—§ 50. What is meant by Shipment or Adventure?—What will a Shipment or Adventure account show?—§ 51. How is it kept?—§ 55. What is shown in Commission and Service account?—§ 56. On which side of the account are the active entries usually made?—What is the theory of the account?—Is the result of Commission and Service account usually a *loss* or a *gain*.—§ 60. What is the purpose of Interest account?—§ 61. What is its theory?—When does Interest *cost* value?—When does it *produce* value?—§ 65. What is meant by Securities?—What is shown in Securities account?—§ 66. What is its method?—§ 68. Are separate accounts ever kept with the different classes of securities?—§ 70. What are incidental accounts?—What is the principal incidental account?—§ 71. Mention instances where it would seem to be necessary to keep an Expense account.—§ 72. Is it ever possible for Expense account to show a gain?—In case it should show a gain, what is true of the entries?—What are the rules for debiting and crediting Expense?—§ 75. What relation does a proprietor sustain to his business?—What is shown in a proprietary account?—§ 76. What title is sometimes given to the proprietary account when there is a single proprietor?—What names are used in a co-partnership?—What in a joint-stock business?—§ 77. Is it ever proper for a proprietor to have two accounts?—In such case, what is shown in each of the accounts?—§ 82. How many classes of accounts are there?—What is shown in each class?—What accounts are embraced in the first class?—What in the second class?—What name is given to accounts of the first class?—What to those of the second class?—When is Cash account debited?—When credited?—When, Bills Receivable?—When, Bills Payable?—When, personal accounts?—When, proprietors' or stockholders'?—When are accounts showing gains and losses debited, and when credited?

CHAPTER II.

TRANSACTIONS AND THEIR RECORD.

§ 84. — A BUSINESS TRANSACTION, in its simplest form, is the equal exchange of valuable things.*

§ 85. — An exchange of valuable things means that one valuable thing is received and another valuable thing given.

§ 86. — An exchange, or transaction, therefore, affects the business in two directions; and a competent record of a transaction must show these opposite results.

§ 87. — In the illustrations in the previous chapter one side only of the transaction is considered, the object being to show the character and aim of the separate accounts. In this chapter both sides are given, and it will be seen that every transaction necessitates at least two entries—one to the *debit* side of some account and one to the *credit* side of some other account; the sum of the debits and sum of the credits being equal.

§ 88. — Frequently, however, the record may involve more than two accounts. Preserving the equality of debits and credits, the full record of a transaction may require any one of the following four forms:

1. One debit and one credit.
2. One debit and two or more credits.
3. Two or more debits and one credit.
4. Two or more debits and two or more credits.

ILLUSTRATIONS.

§ 89. — 1. *One debit and one credit.*

TRANSACTION.

Bought merchandise and paid cash, \$200.

RECORD.

Merchandise, <i>Dr.</i>	- - -	200		Cash, <i>Cr.</i>	- - - - -	200
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* This definition does not cover all the exigencies of business record, nor does it aim to be philosophical. It is simply the best definition for this place, and is comprehensive enough for the work in hand.

§ 90.—2. *One debit and two credits.*

TRANSACTION.

Bought merchandise for \$500; paid cash, \$300, and note, \$200.

RECORD.

Merchandise, <i>Dr.</i>	500		Cash, <i>Cr.</i>	300
			Bills Payable, <i>Cr.</i>	200

§ 91.—3. *Two debits and one credit.*

TRANSACTION.

Sold merchandise for \$400; received cash, \$150, and note, \$250.

RECORD.

Cash, <i>Dr.</i>	150		Merchandise, <i>Cr.</i>	400
Bills Receivable, <i>Dr.</i>	250			

§ 92.—4. *Two debits and two credits.*

TRANSACTION.

Bought merchandise for \$350, and house and lot for \$5000; paid cash, \$3000, mortgage, \$2350.

RECORD.

Merchandise, <i>Dr.</i>	350		Cash, <i>Cr.</i>	3000
Real Estate, <i>Dr.</i>	5000		Mortgages Payable, <i>Cr.</i>	2350

§ 93.—A transaction may consist of an exchange between (1) two *commodities* (things having substance); (2) between a *commodity* and a *claim* (or promise); (3) between a *claim* and a *claim*; (4) between a *commodity* and a *service*; (5) between a *service* and a *service*.

ILLUSTRATIONS.

§ 94.—1. *Between Commodities.*

TRANSACTION.

Bought 100 bush. Wheat for \$150 in cash.

RECORD.

Wheat, <i>Dr.</i>	150		Cash, <i>Cr.</i>	150
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§ 95.—2. *Between a Commodity and a Claim.*

TRANSACTION.

Sold James Benson on credit, 50 bush. Wheat for \$35.

RECORD.

James Benson, <i>Dr.</i>	35		Merchandise, <i>Cr.</i>	35
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§ 96.—3. *Between a Claim and a Claim.*

TRANSACTION.

Received of James Benson his note in full of his account, \$85.

RECORD.

Bills Receivable, *Dr.* . . . 85 | James Benson, *Cr.* 85

§ 97.—4. *Between a Commodity and a Service.*

TRANSACTION.

Received cash for one month's labor, \$100.

RECORD.

Cash, *Dr.* 100 | Service, *Cr.* 100

§ 98.—5. *Between a Service and a Service.*

TRANSACTION.

Paid Dr. Hammond's bill for medical attendance, \$150, by one year's tuition for his son Charles.

RECORD.

Family Expense, *Dr.* . . . 150 | Tuition, *Cr.* 150

EXERCISES IN JOURNALIZING.

§ 99.—To “journalize,” in the book-keeping sense, is to decide in the case of a transaction what shall be its record in the Ledger; in other words, what account or accounts shall be debited, and what account or accounts shall be credited.

§ 100.—The Journal, when used as a separate book, comes between the Day-Book, which simply records the transaction, and the Ledger, which contains the classified results. It is more or less formal in its arrangement, but of whatever form, its purpose is the same—*that of deciding upon the debits and credits of a transaction.*

§ 101.—The “items” under the different subjects in the preceding chapter are used to illustrate separate accounts. For this reason, in the matter illustrated, as also in the first series of the “Material for Practice,” but one side of the transaction is given. In the *second* and *third* series, however, the transaction is fully stated, and thus is given an abundance of good material for journalizing. Three forms of journalizing are here given, any one of which may be used. Beginning with the “Second Series” under each head, let the student journalize all the items in Chapter I.

SECOND SERIES, UNDER CASH ACCOUNT. (§ 11.)

<i>Item 1.</i>	Cash, <i>Dr.</i> - - -	175	Proprietor, <i>Cr.</i> - - -	175
<i>Item 2.</i>	Cash, <i>Dr.</i> - - -	75	Jones & Co., <i>Cr.</i> - - -	75
<i>Item 3.</i>	Mdse., <i>Dr.</i> - - -	29.12	Cash, <i>Cr.</i> - - - - -	29.12
<i>Item 4.</i>	Cash, <i>Dr.</i> - - -	182.35	Mdse., <i>Cr.</i> - - - - -	182.35
<i>Item 5.</i>	Expense, <i>Dr.</i> - - -	7	Cash, <i>Cr.</i> - - - - -	7
<i>Item 6.</i>	Expense, <i>Dr.</i> - - -	25	Cash, <i>Cr.</i> - - - - -	25
<i>Item 7.</i>	Cash, <i>Dr.</i> - - -	180	Bills Receivable, <i>Cr.</i> -	180
<i>Item 8.</i>	Cash, <i>Dr.</i> - - -	125	Mdse., <i>Cr.</i> - - - - -	125
<i>Item 9.</i>	Expense, <i>Dr.</i> - - -	112.50	Cash, <i>Cr.</i> - - - - -	112.50
<i>Item 10.</i>	Proprietor, <i>Dr.</i> - -	50	Cash, <i>Cr.</i> - - - - -	50.
<i>Item 11.</i>	Cash, <i>Dr.</i> - - -	37.50	Abram Stuart, <i>Cr.</i> - -	37.50
<i>Item 12.</i>	Rent, <i>Dr.</i> - - -	150	Cash, <i>Cr.</i> - - - - -	150

THIRD SERIES, UNDER BILLS RECEIVABLE ACCOUNT. (§ 27.)

<i>Items.</i>	<i>Debits.</i>			<i>Credits.</i>		
1	Bills Receivable - -	200		Merchandise - - -	200	
2	Bills Receivable - -	129		James Parton - -	129	
3	Cash - - - - -	199	33	Bills Receivable - -	200	
	Interest - - - - -		67			
4	Bills Receivable - -	400		Cash - - - - -	394	
				Interest - - - - -	6	
5	Bills Receivable - -	300		Cash - - - - -	299	
				Interest - - - - -	1	
	Bills Receivable - -	275		Cash - - - - -	274	31
				Interest - - - - -		69
	Bills Receivable - -	350		Cash - - - - -	348	95
				Interest - - - - -	1	05
6	Cash - - - - -	300		Bills Receivable - -	300	
7	J. Rantoul - - - -	275		Bills Receivable - -	275	
8	Bills Receivable - -	210		E. G. Folsom - - -	210	
9	Bills Receivable - -	400		Cash - - - - -	398	
				Interest - - - - -	2	
10	Cash - - - - -	132	50	Bills Receivable - -	129	
				Interest - - - - -	3	50

THIRD SERIES, UNDER REAL ESTATE ACCOUNT. (§ 49.)

(Usual Form.)

<i>Debits.</i>	<i>Credits.</i>	<i>Dr.</i>	<i>Cr.</i>
Item 1			
Dutchess Co. Farm		20000	
Seventy-third St. House		30000	
Stock Farm		25000	
	Proprietor		75000
2			
Dutchess Co. Farm		150	
	Cash		150
3			
Dutchess Co. Farm		75	
	Cash		75
4			
Seventy-third St. House		125	
	Cash		125
5			
Cash		150	
	Stock Farm		150
6			
Seventy-third St. House		25	
	Cash		25
7			
Dutchess Co. Farm		37	50
	Cash		37
8			
Dutchess Co. Farm		120	
	Cash		120
9			
Cash		750	
	Seventy-third St. House		750

<i>Debits.</i>	<i>Credits.</i>	<i>Dr.</i>		<i>Cr.</i>	
—Item 10—					
Stock Farm -		17	50		
	Cash			17	50
—11—					
Dutchess Co. Farm -		28			
	Cash			28	
—12—					
Cash		259			
	Stock Farm -			259	
—13—					
Cash		317			
	Dutchess Co. Farm -			317	
—14—					
Cash		35000			
	Seventy-third St. House			35000	
—15—					
Stock Farm		75			
	Cash			75	
—16—					
Cash		513	75		
	Dutchess Co. Farm -			513	75
—17—					
Cash		432	50		
	Stock Farm			432	50
—18—					
Stock Farm, new %		22000			
	Stock Farm, old %*			22000	
—19—					
Dutchess Co. Farm, new %*		20000			
	Dutchess Co. F'm, old %			20000	

* Transactions of this kind do not occur in the current progress of the business. They are incident to the closing of the books at the end of a fiscal period, and the opening of them anew at the beginning of another fiscal period. It is not presumed that the student will fully understand the entry at this time.

A MODEL SET OF BOOKS.

§ 102. — A “Set” of Books comprises what are necessary to record the happenings and the outcome of a business. These may consist of two or of fifty, according to the extent and character of the business, or according to the judgment and taste of those who use them.

§ 103. — Ordinarily, three books comprise a set, viz.: the DAY-BOOK, which tells what happens; the JOURNAL, which decides how the facts shall appear on the Ledger; and the LEDGER, which presents the facts in a classified form. — The Day-Book and Journal are usually combined in one.

§ 104. — The “Model Set” here presented gives these simple forms, and exhibits in the plainest way the characteristic features and logical sequence of Double Entry Book-keeping. Its points should be carefully studied for future reference.

§ 105. — MEMORANDUM OF TRANSACTIONS.

New York, January 1, 18—. H. B. Bryant, proprietor, invested cash, \$3000. - - - - Bought of H. Ely for cash, 125 brls. Flour, at \$8, \$1000.
- - - - Paid James Sturgis & Co. cash for two months' store rent, \$75.

Jan. 10. Sold Craig & Co. for cash, 50 brls. Flour, at \$10.50, \$525. - - - -
Bought of G. W. Brown on account, 30 ds., 500 bush. Wheat, at \$1.75, \$875.
- - - - Sold A. E. Mackey for cash, 100 bush. Wheat, at \$1.90, \$190.

Jan. 20. Bought of S. S. Packard, giving in payment therefor our note at 30 ds., 1000 bush. Oats, at 90¢, \$900. - - - - Sold Riley & Jones for cash, 500 bush. Oats, at \$1, \$500. - - - - Paid cash for services. \$75.

Jan. 30. Sold J. E. Soulé on account, 200 bush. Oats, at \$1, \$200 ; 200 bush. Wheat, at \$1.95, \$390. - - - - Received of J. E. Soulé, in settlement of account, his note at 30 ds., \$590.

February 15. Bought of C. H. Taylor for cash, 225 brls. Flour, at \$8.66 $\frac{2}{3}$, \$1950.

Feb. 20. Sold J. Jackson on his note at 30 ds., 50 brls. Flour, at \$10, \$500. - - - - Paid cash for office expenses, \$37.50.

Feb. 25. Sold D. R. Lillibridge on account, 100 brls. Flour, at \$10.25, \$1025. - - - - Gave G. W. Brown on account, our sight draft on D. R. Lillibridge for \$500.

Feb. 28. Received cash in full for J. E. Soulé's note, \$590. - - - - There remains unsold 150 brls. Flour, worth \$10.25, \$1537.50 ; 200 bush. Wheat, worth \$1.35, \$270 ; 300 bush. Oats, worth \$1, \$300.

§ 106.—DAY-BOOK. (SEPARATE.)

New York, January 1, 18—.

Began business with a cash investment of - - - -		3000
----- " -----		
Bought of H. Ely for cash, 125 brls. Flour - - - - - \$8 - - -		1000
----- " -----		
Paid cash for store rent - - - - -		75
-----10-----		
Sold Craig & Co. for cash, 50 brls. Flour - - - - - \$10.50 - -		525
----- " -----		
Bought of G. W. Brown, on %, 500 bush. Wheat - - - - - \$1.75 - -		875
----- " -----		
Sold A. E. Mackey for cash, 100 bush. Wheat - - - - - \$1.90 -		190
-----20-----		
Bought of S. S. Packard, giving in payment therefor our note at 30 ds., 1000 bush. Oats - - - - - 90¢ - -		900
----- " -----		
Sold Riley & Jones for cash, 500 bush. Oats - - - - - \$1 - - -		500
----- " -----		
Paid cash for services - - - - -		75
-----30-----		
Sold J. E. Soulé, on %, 200 bush. Oats - - - - - \$1 \$200 200 bush. Wheat - - - - - 1.95 390		590

New York, January 30, 18—.

Received of J. E. Soulé in settlement of $\%$, his note at 30 ds. - - - - -	590	
<hr/> <i>Feb. 15</i> <hr/>		
Bought of C. H. Taylor for cash, 225 brls. Flour - - - - - \$8.66 $\frac{2}{3}$ - -	1950	
<hr/> <i>20</i> <hr/>		
Sold J. Jackson on his note at 30 ds., 50 brls. Flour - - - - - \$10 - - -	500	
<hr/> " <hr/>		
Paid cash for office expenses - - - - -	37	50
<hr/> <i>25</i> <hr/>		
Sold D. R. Lillibridge, on $\%$, 100 brls. Flour - - - - - \$10.25 - -	1025	
<hr/> " <hr/>		
Gave G. W. Brown our draft on D. R. Lillibridge for -	500	
<hr/> <i>28</i> <hr/>		
Received cash for J. E. Soulé's note - - - - -	590	
<hr/> " <hr/>		
<i>Inventory of unsold merchandise.</i>		
150 brls. Flour - - - - - \$10.25 - -	1537	50
200 bush. Wheat - - - - - 1.35 - -	270	
300 bush. Oats - - - - - 1.00 - -	300	

§ 107. — JOURNAL. (SEPARATE.)

New York, January 1, 18—.

		Dr.	Cr.
Cash - - - - -	Proprietor - - - - -	3000	3000
<hr/> " <hr/>			
Flour - - - - -	Cash - - - - -	1000	1000

New York, January 1, 18—.

Dr. Cr.

Expense - - - - -	Cash - - - - -	75			75
	10				
Cash - - - - -	Flour - - - - -	525			525
	"				
Wheat - - - - -	G. W. Brown - - - - -	875			875
	"				
Cash - - - - -	Wheat - - - - -	190			190
	20				
Oats - - - - -	Bills Payable - - - - -	900			900
	"				
Cash - - - - -	Oats - - - - -	500			500
	"				
Expense - - - - -	Cash - - - - -	75			75
	30				
J. E. Soulé - - - - -	Oats - - - - -	590			200
	Wheat - - - - -				390
	"				
Bills Receivable - - - - -	J. E. Soulé - - - - -	590			590
	Feb. 15				
Flour - - - - -	Cash - - - - -	1950			1950
	20				
Bills Receivable - - - - -	Flour - - - - -	500			500
	"				
Expense - - - - -	Cash - - - - -	37	50		37 50
	25				
D. R. Lillibridge - - - - -	Flour - - - - -	1025			1025
	"				
G. W. Brown - - - - -	D. R. Lillibridge - - - - -	500			500
	28				
Cash - - - - -	Bills Receivable - - - - -	590			590

§ 108.—DAY-BOOK AND JOURNAL COMBINED.

1 *New York, January 1, 18—.*

	L. F.	Dr.	Cr.
Cash	2	3000	
Proprietor	1		3000
Investment.			
" —————			
Flour	3	1000	
Cash	2		1000
Bo't of H. Ely, 125 brls. . . @ \$8			
" —————			
Expense	4	75	
Cash	2		75
Paid store rent.			
—10—			
Cash	2	525	
Flour	3		525
Sold Craig & Co., 50 brls. . . \$10.50			
" —————			
Wheat	5	875	
G. W. Brown	6		875
Bought 500 bush. \$1.75			
" —————			
Cash	2	190	
Wheat	5		190
Sold A. E. Mackey, 100 bush. . \$1.90			
—20—			
Oats	7	900	
Bills Payable	8		900
Bought of S. S. Packard on our note at 30 ds., 1000 bush. 90¢			
" —————			
Cash	2	500	
Oats	7		500
Sold Riley & Jones, 500 bush. . \$1			

New York, January 20, 18—.

2

Expense - - - - -	4	75		
Cash - - - - -	2		75	
Paid for services.				
30				
J. E. Soulé - - - - -	9	590		
Oats, 200 bush., \$1 -	7		200	
Wheat, 200 bush., 1.95 -	5		390	
Sold on %.				
"				
Bills Receivable - - - - -	10	590		
J. E. Soulé - - - - -	9		590	
Note at 30 ds. in settlement of %.				
Feb. 15				
Flour - - - - -	3	1950		
Cash - - - - -	2		1950	
Bo't of C. H. Taylor, 225 brls. -				\$8.66 $\frac{2}{3}$
20				
Bills Receivable - - - - -	10	500		
Flour - - - - -	3		500	
Sold J. Jackson on his note at 30 ds.,				
50 brls. - - - - -				\$10
"				
Expense - - - - -	4	37	50	
Cash - - - - -	2			37 50 $\frac{1}{2}$
Office expenses.				
25				
D. R. Lillibridge - - - - -	11	1025		
Flour - - - - -	3		1025	
Sold him 100 brls. - - - - -				\$10.25
"				
G. W. Brown - - - - -	6	500		
D. R. Lillibridge - - - - -	11		500	
Our draft on Lillibridge, favor of Brown.				
28				
Cash - - - - -	2	590		
Bills Receivable - - - - -	10		590	
J. E. Soulé's note.				

(6)

Dr.

G. W. Brown.

Cr.

18— Feb.	25	Dft. on D. R. L. -	2	500	18— Jan.	10	Wheat - - - -	1	875
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(7)

Dr.

Oats.

Cr.

18— Jan.	20	Bills Payable -	1	900	18— Jan.	20	Cash - - - -	1	500
					"	30	J. E. Soulé - -	2	200
									700

(8)

Dr.

Bills Payable.

Cr.

					18— Jan.	20	Oats - - - -	1	900
--	--	--	--	--	-------------	----	--------------	---	-----

(9)

Dr.

J. E. Soule.

Cr.

18— Jan.	30	Sundries - - -	2	590	18— Jan.	30	Bills Receivable -	2	590
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(10)

Dr.

Bills Receivable.

Cr.

18— Jan.	30	J. E. Soulé - -	3	590	18— Feb.	28	Cash - - - -	2	590
Feb.	20	J. Jackson - -	3	500					
				1090					

(11)

Dr.

D. R. Lillibridge.

Cr.

18— Feb.	25	Flour - - - -	2	1025	18— Feb.	25	Dft. fav. G. W. B.	2	500
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ABSTRACT OF THE LEDGER.

§ 110. — The following abstract — usually called the Trial Balance — presents in a convenient and compact form the condition of all the accounts, and also affords a proof of the work in the equilibrium of the Ledger. As each transaction has equal debits and credits, it follows that all the transactions taken together should have equal debits and credits, and one object of the Trial Balance is to ascertain if the amounts have been properly entered in the Ledger.

§ 111. — The Trial Balance test, however, is not a perfect one, as there are numerous conditions under which the accounts in the Ledger may balance, and still errors exist: 1. An entire entry, or more than one, may be omitted; 2. A debit or credit entry may be taken to the right side of a wrong account; 3. One error may exactly offset another, etc., etc.

§ 112. — Ordinarily, however, when proper care with proper safeguards has been taken, the equal footing of the sides of the Trial Balance is taken as evidence of the correctness of the Ledger.

ABSTRACT, OR TRIAL BALANCE.

ACCOUNTS.	FACE OF LEDGER.				BALANCES.			
	Dr.		Cr.		Dr.		Cr.	
Proprietor - - - - -			3000				3000	
Cash - - - - -	4805		3137	50	1667	50		
Flour - - - - -	2950		2050		900			
Expense - - - - -	187	50			187	50		
Wheat - - - - -	875		580		295			
G. W. Brown - - - - -	500		875				375	
Oats - - - - -	900		700		200			
Bills Payable - - - - -			900				900	
J. E. Soulé - - - - -	590		590					
Bills Receivable - - - - -	1090		590		500			
D. R. Lillibridge - - - - -	1025		500		525			
<i>Equilibrium</i> - - - - -	12922	50	12922	50	4275		4275	

§ 113. — Most of the important facts of the business can be gathered from the foregoing abstract, as it is. The inside columns give the footings of the accounts, and the outside columns, the differences or balances. Thus, we can know at once the amount invested; the balance of cash on hand; the cost of the different kinds of goods we deal in; the returns from sales; the outlay for expenses; what we owe others, and what others owe us, etc. In fact, we need but one more item of information to enable us to present the exact state of the business at this point; and that item is the value of the unsold merchandise.

§ 114. — This value has been given in the memorandum of transactions under date of Feb. 28, but has not been utilized in the Ledger. The Analysis which follows—made from the Trial Balance, with the item of unsold goods added—will give a complete showing of the business, both in its progress and its financial status.

§ 115. — ANALYTIC STATEMENT.*

1. Analysis showing Resources and Liabilities, taken from-Ledger accounts and from estimates of property.

1. From Ledger Accounts.				Resources.		Liabilities.
CASH	Received	\$4805				
	Paid out	3137.50				
	On hand			1667	50	
G. W. BROWN	Cr.	875°				
	Dr.	500				
	We owe him					375
BILLS PAYABLE	Issued and unredeemed					900
BILLS RECEIVABLE	Received	1090				
	Disposed of	590				
	On hand			500		
D. R. LILLIBRIDGE	Dr.	1025				
	Cr.	500				
	He owes us			525		
2. From Estimates of Property.						
FLOUR	150 brls.	\$10.25		1537	50	
WHEAT	200 bush.	1.35		270		
OATS	300 bush.	1		360		
	Difference, or net worth					3525
	Proof			4800		4800

* For practical form, see Appendix, p. 131.

2. Analysis showing Gains and Losses, as exhibited in the Ledger, and in the estimates of property.

				Losses.		Gains.	
FLOUR	Returns from sales	\$2050					
	Estimate of unsold	1537.50					
	Total returns	3587.50					
	Cost	2950.00					
	Net profit					637	50
EXPENSE	Outlay for incidentals			137	50		
WHEAT	Cost	875					
	Returns from sales	580					
	Estimate of unsold	270					
	Total returns	850					
	Net loss			25			
OATS	Returns from sales	700					
	Estimate of unsold	300					
	Total returns	1000					
	Cost	900					
	Net profit					100	
	Difference, or net gain			525			
	Proof			737	50	737	50

3. Analysis showing that the investment increased by the net gain equals the present worth.

PROPRIETOR. . . . Cr. . . .	Amount invested (none withdrawn)	\$3000
	Add net gain, as above	525
	Gives present investment or net worth	\$3525

SHOWING FULL RESULTS IN THE LEDGER.

§ 116.—From the foregoing Ledger and statements we are enabled to ascertain the exact progress and state of the business. From the Ledger, as it stands, we get the amount of cash on hand, what is owing to us, and what we owe; and also, what the goods in which we deal have cost us, and how much the sales have produced; and what have been our incidental expenses. We lack only one item of information to put us in possession of all the facts we need, and that is, *the value of the unsold goods*.

§ 117.—This item of information, for practical reasons, is not available from any record which could be kept—not because the *quantity* of goods on hand, in a business such as here repre-

sented, might not be readily got at, but because the fluctuation in prices makes it necessary to *estimate* the value whenever the facts are desired.

§ 118.—So, it may be understood that no Ledger, *in its current condition*, will show all the facts of the business, and that when it is desirable that such facts should be shown on the Ledger, the business—or the current record of it—has to be arrested, and the Ledger restored *to the same condition* which it held at the beginning, viz.: it must exhibit, for the time, *a complete statement of resources and liabilities*, and nothing else.

§ 119.—The process through which this is done is called “Closing the Ledger,” and the effect is to cancel the opposing facts of the accounts, bringing the single results forward as a basis for future record.

§ 120.—These conclusions will appear more distinctly in comparing the “open” Ledger as already shown with the “closed” Ledger now presented.

§ 121.—LEDGER. (CLOSED.)

(1)

H. B. Bryant, Proprietor.

18—					18—					
Feb.	28	Balance (new %)		3525	Jan.	1	Cash	1	3000	
					Feb.	28	Loss & Gain . .	112	525	
				3525					3525	
					Mar.	1	Balance (old %)		3525	

(2)

Cash.

18—					18—					
Jan.	1	Proprietor . . .	1	3000	Jan.	1	Flour	1	1000	
“	10	Flour	1	525	“	“	Expense	1	75	
“	“	Wheat	2	190	“	20	Expense	2	75	
“	20	Oats	2	500	Feb.	15	Flour	2	1950	
Feb.	28	Bills Receivable .	2	590	“	20	Expense	2	37	50
					“	28	Balance (new %)		1667	50
				4805					4805	
Mar.	1	Balance (old %)		1667						

(3)
Flour.

18—						18—					
Jan.	1	Cash - - - -	1	1000		Jan.	10	Cash - - - -	1	525	
Feb.	15	" - - - -	2	1950		Feb.	20	Bills Receivable -	2	500	
"	28	Loss & Gain - -	12	637	50	"	25	D. R. Lillibridge	2	1025	
						"	28	Balance (new %)		1537	50
				3587	50					3587	50
Mar.	1	Balance (old %) -		1537	50						

(4)
Expense.

18—						18—					
Jan.	1	Cash (rent) - -	1	75		Feb.	28	Loss & Gain - -	L12	187	50
"	20	" (service) - -	2	75							
Feb.	20	" (office) - -	3	37	50						
				187	50					187	50

(5)
Wheat.

18—						18—					
Jan.	10	G. W. Brown -	1	875		Jan.	10	Cash - - - -	1	190	
						"	30	J. E. Soulé - -	2	390	
						Feb.	28	Balance (new %)		270	
						"		Loss & Gain - -	L12	25	
				875						875	
Mar.	1	Balance (old %) -		270							

(6)
G. W. Brown.

18—						18—					
Feb.	25	Dft. on D. R. L. -	2	500		Jan.	19	Wheat - - - -	1	875	
"	28	Balance (new %)		375							
				875						875	
						Mar.	1	Balance (old %) -		375	

(7)
Oats.

18—						18—					
Jan.	20	Bills Payable -	2	900		Jan.	20	Cash - - - -	1	500	
Feb.	28	Loss & Gain - -	L12	100		"	30	J. E. Soulé - -	2	200	
						Feb.	28	Balance (new %)		300	
				1000						1000	
Mar.	1	Balance (old %) -		300							

(8)

Bills Payable.

					18— Jan.	20	Oats	1	900	
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(9)

J. E. Soulé.

18— Jan.	30	Sundries . . .	2	590	18— Jan.	30	Bills Receivable -	3	590	
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(10)

Bills Receivable.

18— Jan.	30	J. E. Soulé . .	2	590	18— Feb.	28	Cash	3	590	
Feb.	20	J. Jackson . .	2	500	"	"	Balance (new %)		500	
				1090					1090	
Mar.	1	Balance (old %)-		500						

(11)

D. R. Lillibridge.

18— Feb.	25	Flour	2	1025	18— Feb.	25	Dft. fav. G. W. B.	2	500	
				1025	"	28	Balance (new %)		525	
									1025	
Mar.	1	Balance (old %)-		525						

(12)

Loss & Gain.

18— Feb.	28	Expense . . .	L4	187	50	18— Feb.	28	Flour	L3	637	
"	"	Wheat	L3	25		"	"	Oats	L7	100	
"	"	Proprietor . .	L1	525							
				737	50					77	50

CLOSING THE LEDGER.

§ 122. — To “close” an account, in technical sense, is to put an end to its current condition. This is usually done when its purpose is fulfilled, as also when the sides are equal, even if the account is to be continued.

§ 123. — The closing of an account does not change its relations or its condition. If the sides are equal, the opposing items cancel each other, and closing it simply emphasizes this fact and takes the account out of the present reckoning.

§ 124. — If the sides are unequal, the excess of the larger side is not extinguished in the closing, but is perpetuated by being expressed in a single item, and “brought down” as the *result*, forming the fact of the continued or “new” account.

§ 125. — Several objects may be served in closing an account. (1.) When the purpose of the account is fulfilled, closing it removes it from present consideration. (2.) In case of the settlement of a personal account, whether fully liquidated or not, the closing shows the agreement, and renders unnecessary the going over of the old items in future settlements. (3.) As in the case of Cash, the main object of the account—the balance on hand—can be shown in a single amount.

§ 126. — The object of “closing the Ledger” is to mark an era in the business, and to show the results of a given period of time.

§ 127. — The effect of closing the Ledger is to restore all the accounts to their primal condition of exhibiting the resources and liabilities of the business.

§ 128. — The use of red ink in the Ledger is a matter of convenience as well as of significance. The convenience is that thus entries may be made originally in the Ledger without the necessity of *posting* them from other books; and the significance is that they serve a special purpose—that of *closing* an account. The law of “equal debits and credits” is as clearly enforced as in entries posted from the Journal, for the amount that appears on one side in red ink is transferred or posted to the other side in black. Nevertheless, there are clear-headed accountants who insist upon making all entries first in the Journal, where full explanation may be given.

§ 129.—PROCESS OF CLOSING.

1. Before attempting to show all the results upon the Ledger there should be reasonable certainty that the Ledger is correct. Hence, the first step is the Trial Balance.

2. To further guard against blunders, the next step should be the rendering, in a more or less formal manner, an analytic statement of the accounts. See example under § 115.*

3. As this statement contains all the facts which will appear on the Closed Ledger, the process of closing—with the statement as a basis—becomes well nigh mechanical. This will give the greater opportunity for precise and effective work.

4. The ruling—which is an important feature of the Ledger—should be done with absolute precision and uniformity. The red ink should be of good quality, and kept pure. A separate red ink pen should always be used.

5. As, in the case of unsold property, the current Ledger does not show the true state of the business, the first step is to *credit* the value of the unsold property to the account or accounts having charge of it. This should be done in *red ink*, the amount being brought down on the *debit* side of the same account in *black ink*.†

6. In case, also, of liabilities accumulated during the business and not shown in the proper account, the amount of such liabilities should be entered to the *debit* side of the account or accounts representing them, in *red ink*, and brought down on the *credit* side of the same account in *black ink*.‡

7. As the separate losses and gains must be brought together in a single statement, open an account for that purpose under the title of Loss & Gain. §

8. Begin with the first account after the Proprietors'. If it be a Financial account, enter the difference upon the smaller side in *red ink*,

* The Analytic Statement gives excellent practice to the student and is mainly valuable for this purpose. In business, a more compact and comprehensive form of statement is preferable; such, for instance, as the Balance Sheet on page 55.

† Inasmuch as the inventory cannot be well "brought down" in the new account until the old account is "closed," or ruled up, and this event must await the declaration of the loss or gain as shown by the account *after the inventory is credited*, it will seem difficult to follow this instruction literally. To avoid this difficulty in part, it has been customary with teachers to open a separate account with balances, to which are transferred all the resources and liabilities—to be afterwards *retransferred* to the closed or new accounts. As this is not a business method, it is deemed best not to adopt it in this book, even to avoid a seeming difficulty. If the teacher should think it advisable to insist upon making the entry complete at the time, it can easily be done by calculating the space necessary for ruling up the account, and making the transfer at once; or, a new account under the same head may be opened in another place, and the entry made the same as in a Balance account. Practically there is no difficulty in the matter, for, after the facts are well in the student's mind, it will not be necessary to follow this exact order; and accounts containing inventory entries can be entirely disposed of before proceeding to the other accounts.

‡ The author of this book was the first to recognize, in the closing of a Ledger, liabilities not appearing in the current account. It is not always done in business, but as the fact exists, it should be clearly presented to the student, and should not be ignored anywhere.

§ See account 12, page 51.

ruie up the account, and bring the balance item down on the opposite or larger side in *black ink*. If it be a Business account, enter the difference upon the smaller side in *red ink* and transfer it in *black ink* to the opposite side of Loss & Gain account.

9. When all the accounts, except Loss & Gain and Proprietors', are closed, a second trial balance, including these accounts and the balances brought down, may be taken to test the correctness of the transfers; after which, ascertain the net gain or net loss as shown in the Loss & Gain account; and if the business be that of a sole proprietor, and the gains are to increase or the losses decrease the capital,* close the Loss & Gain account in the usual way into Proprietors' account. If the business be that of a copartnership, and the investment is to be increased or decreased by the gain or loss, close Loss & Gain into the Partners' accounts, giving to each the proportion of gain or loss to which by the terms of the copartnership he is entitled.

10. Finally, if there is more than one item in Proprietors' account, or in the separate Partners' accounts,† close it, or them, by the usual process, bringing the balance down as a statement of the investment for the continued business.

11. The Ledger will now stand as at the beginning, the accounts showing, in single items, the resources and liabilities of the business.

A COMPREHENSIVE BALANCE SHEET.

§ 130. — There are few forms of statement more complete and comprehensive than the Balance Sheet exhibited on the following page. All the facts shown in the Ledger are here distinctly stated, and the entire order of closing the Ledger and transferring the balances is presented so plainly and compactly that not a point is lost. The teaching quality of this form is so great that full instructions as to its preparation and use are given on the succeeding page.

§ 131. — Other forms of statement, and the enlargement of this form by adding other columns for co-proprietors will be found in the Appendix.

* The instruction usually given to inevitably "close Loss & Gain account into Stock or Partners'" is erroneous, from the fact that often the investment is kept at a uniform amount, and the gain or loss is apportioned to the proprietors in their private capacity.

† Ordinarily, after the gains and losses of the business have been declared, there will be "more than one item" in the Proprietary account or accounts, but it is well to recognize the fact that the investment may remain unchanged, in which case the accounts representing it should remain unchanged. And it may be well to suggest here that any account holding but a single item, which is to appear in the continued business, should not be disturbed in the general "Closing of the Ledger."

BALANCE SHEET.*

ACCOUNTS.	L. Fol.	FACE OF LEDGER.		UNSAID PROPERTY.	LOSS AND GAIN.		PROPRIETOR.		BALANCE.	
		Dr.	Cr.		Dr.	Cr.	Dr.	Cr.	Resources.	Liabilities.
Proprietor	1	-	3000	-	-	-	-	3000	-	-
Cash	2	4805	3137 50	-	-	-	-	-	1667 50	-
Flour	3	2050	2050	1537 50	-	637 50	-	-	1537 50	-
Expense	4	187 50	-	-	187 50	-	-	-	-	-
Wheat	5	875	580	270	25	-	-	-	270	-
G. W. Brown	6	500	875	-	-	-	-	-	-	375
Oats	7	900	700	300	-	100	-	-	300	-
Bills Payable	8	-	900	-	-	-	-	-	-	900
Bills Receivable	9	1080	580	-	-	-	-	-	500	-
D. R. Lillibridge	10	1025	500	-	-	-	-	-	525	-
		12332 50	12332 50							
<i>Proprietor—Net Gain -</i>										
		525	-	-	-	-	-	525	-	-
		737 50	737 50							
<i>Balance—Net Capital -</i>										
		3525	-	-	-	-	-	-	-	3525
		3525	3525						4800	4800

* For practical form, see Appendix, p. 131.

§ 132. — HOW TO PREPARE AND USE THE BALANCE SHEET.

1. The paper should be sufficiently wide to admit—in case of a single proprietor—of four double and one single money columns, as also sufficient space for the account titles and Ledger folios. For each additional proprietor, an additional double money column.*

2. Aside from the explanatory head lines and rules, there should be faint lines enough for all the Ledger accounts,† with five additional in case of single proprietorship, and three more for each additional proprietor.

3. Great care should be taken to lay out the space so as exactly to fit the requirements. First, lay it out in pencil. At the extreme right begin with the double money columns for final balances; next come the double money columns for each of the proprietors; next, double money columns for Loss & Gain; next, single money columns for unsold property; next, double money columns for Face of Ledger; next, space for Ledger folio; next, space for names of accounts.

4. Beginning at the left to rule up with ink, let the columns extending through "Unsold Goods," come down one line below the last line of Accounts. In case of a single proprietor, let the rulings of the double columns of Loss & Gain extend two lines below the previous ruling, and in case of partners, drop an additional line for each partner.

5. In case of a sole proprietor, let the rulings of the double columns of Investment extend two lines below the previous ruling; and in case of partners, let the rulings of each partners' double columns drop two additional lines, the rulings of double columns for Balances coming even with those of the last partner.

6. The foot rulings can be made (as per example) at this stage, or after the amounts are all written in. The closing of accounts and transferring of balances may now be done in order, following out the explanation given under "Process of Closing." Let the closing entries be made in *red ink*, and the final transfers in *black ink*.

7. When the transfers are all made the columns of Balances will contain the resources and liabilities at the close of the business while all the facts to be gathered from the Ledger are shown in order under the appropriate heads.

8. As the force of this form of Balance Sheet is in its compactness and comprehensiveness combined, the greatest care should be exercised in its preparation. If not neatly and artistically done its best effect will be lost.

* See Partnership Balance Sheet in Appendix.

† In case of a large number of personal accounts—which would make the sheet unwieldy, if not impracticable—it is suggested that two general accounts be used, viz. Accounts Receivable and Accounts Payable. And in case this plan is adopted and more precise knowledge of the separate accounts is desired, a separate sheet or list of personal accounts may accompany the Comprehensive Statement.

§ 133.—VOUCHERS ACCOMPANYING MODEL SET.

1. BILLS.

<i>H. Ely to H. B. Bryant.</i>			
<i>H. B. Bryant</i>		<i>New York, January 1, 18—</i>	
<i>Cash.</i>	Bought of H. Ely.		
<i>100 brls. Flour</i>	<i>- - - - -</i>	<i>\$10 - -</i>	<i>1000</i>
<i>Rec'd Payment,</i>			
<i>H. Ely.</i>			

<i>H. B. Bryant to Craig & Co.</i>			
<i>Craig & Co.</i>		<i>New York, January 10, 18—</i>	
<i>Cash.</i>	Bought of H. B. Bryant.		
<i>50 brls. Flour</i>	<i>- - - - -</i>	<i>\$10.50</i>	<i>525</i>
<i>Rec'd Payment,</i>			
<i>H. B. Bryant.</i>			

<i>G. W. Brown to H. B. Bryant</i>			
<i>H. B. Bryant</i>		<i>New York, January 10, 18—</i>	
<i>30 ds.</i>	Bought of G. W. Brown.		
<i>500 bush. Wheat</i>	<i>- - - -</i>	<i>\$1.75 - -</i>	<i>875</i>

<i>H. B. Bryant to A. E. Mackey.</i>			
<i>A. E. Mackey</i>		<i>New York, January 10, 18—</i>	
<i>Cash.</i>	Bought of H. B. Bryant.		
	<i>100 bush. Wheat - - - -</i>	<i>\$1.90 - -</i>	<i>190</i>
	<i>Rec'd Payment,</i>		
	<i>H. B. Bryant.</i>		

<i>S. S. Packard to H. B. Bryant.</i>			
<i>H. B. Bryant</i>		<i>New York, Jan. 20, 18—</i>	
<i>Note, 30 ds.</i>	Bought of S. S. Packard.		
	<i>1000 bush. Oats</i>	<i>- - - - 90¢ - - -</i>	<i>900</i>

<i>H. B. Bryant to Riley & Jones.</i>		<i>New York, Jan. 20, 18—</i>	
<i>Riley & Jones</i>			
<i>Cash.</i>	Bought of H. B. Bryant.		
<i>500 bush. Oats - - - - -</i>		<i>\$1 - - -</i>	<i>500</i>
<i>Rec'd Payment,</i>			
<i>H. B. Bryant.</i>			

<i>H. B. Bryant to J. E. Soule.</i>		<i>New York, Jan. 30, 18—</i>	
<i>J. E. Soule</i>			
<i>Note, 20 ds.</i>	Bought of H. B. Bryant.		
<i>200 bush. Oats</i>	<i>- - - -</i>	<i>\$1 200</i>	
<i>200 bush. Wheat</i>	<i>- - -</i>	<i>1.95 390</i>	<i>590</i>

<i>C H Taylor to H B Bryant.</i>			
<i>New York, February 15, 18—</i>			
<i>H. B. Bryant</i>			
Bought of C. H. Taylor.			
<i>Cash.</i>			
<hr/>			
	<i>200 brls. Flour - - - - -</i>	<i>\$9.75 - -</i>	<i>1950</i>
	<i>Rec'd Payment,</i>		
	<i>C. H. Taylor.</i>		

<i>H. B. Bryant to J. Jackson.</i>			
<i>New York, Feb. 20, 18—</i>			
<i>J. Jackson</i>			
Bought of H. B. Bryant.			
<i>Note, 30 ds.</i>			
<hr/>			
	<i>50 brls. Flour - - - - -</i>	<i>\$10 - -</i>	<i>500</i>

<i>H. B. Bryant to D. R. Lillibridge.</i>			
<i>New York, Feb. 25, 18—</i>			
<i>D. R. Lillibridge</i>			
Bought of H. B. Bryant.			
<hr/>			
	<i>100 brls. Flour - - - - -</i>	<i>\$10.25 -</i>	<i>1025</i>

2. RECEIPT.

<i>James Sturgis & Co. to H. B. Bryant, for store rent.</i>	
<i>\$75.</i>	<i>New York, Jan. 1, 18—</i>
<i>Received of H. B. Bryant Seventy-five Dollars in</i>	
<i>full for store rent for January and February.</i>	
<i>James Sturgis & Co.</i>	

3. NOTES.

H. B. Bryant to S. S. Packard.

\$900.

New York, Jan. 20, 18—

*Thirty days from date I promise to pay to
S. S. Packard or order, Nine Hundred Dollars, value
received.*

*H. B. Bryant.**J. Jackson to H. B. Bryant.*

\$500.

New York, Feb. 20, 18—

*Thirty days from date I promise to pay to
H. B. Bryant or order, Five Hundred Dollars, value
received.*

J. Jackson.

4. DRAFT.

H. B. Bryant on D. R. Lillibridge.

\$500.

New York, Feb. 25, 18—

*At sight, pay to the order of G. W. Brown,
Five Hundred Dollars, value received, and charge to
account of*

*H. B. Bryant**To D. R. Lillibridge, Esq.*

§ 134.—MATERIAL FOR CONTINUATION OF MODEL SET.

TO BE WRITTEN UP BY THE STUDENT.

[The writing up of these transactions after the methods of the "Model Set" will test the student's proficiency, and fasten the instruction given. Let the Model be followed in every particular, using the Journal-Day-Book form, and posting to the same Ledger, continuing the open accounts, and opening others as they are needed. After the business is posted, make out Trial Balance and Statement; then close the Ledger in due form, bringing balances down where proper, and finally, presenting the results in a Comprehensive Balance Sheet. When this is completed, write up all the vouchers, as indicated.]

March 1. Continued H. B. Bryant's business, beginning with the resources and liabilities as shown in Balance Sheet (page 55). - - - - Bought of R. C. Spencer, 300 bush. Oats, at 97¢, \$291; gave him in payment our sight draft on D. R. Lillibridge.

Mar. 10. Paid cash for insurance on goods in store (estimate, \$2500), at $\frac{3}{4}$ per cent., \$18.75.* - - - - Sold C. T. Miller for cash, 150 bush. Oats, at \$1.05, \$157.50. - - - - Paid cash for two months' rent of store, \$75.† - - - - Bought of J. D. Odell on account, 20 ds., 200 brls. Flour, at \$8.75, \$1750.

Mar. 20. Sold L. L. Williams for cash, 100 brls. Flour, at \$9.50, \$950. - - - - Received from D. R. Lillibridge in full of account, his sight draft on J. D. Odell, for \$234, which we have remitted to Odell for our credit.

Mar. 25. Paid cash for services, \$25.‡ - - - - Received cash in full for J. Jackson's note of Feb. 20, \$500. - - - - Sold Folsom & Carhart on their note at 60 ds., 100 brls. Flour, at \$9.56, \$956. - - - - Bought of C. E. Cady on account, 30 ds., 200 brls. Flour, at \$8.50, \$1700.

April 1. Sold C. P. Meads for cash, 150 brls. Flour, at \$8.75, \$1312.50. - - - - Paid cash for office expenses, \$10.35. - - - - Paid cash for cooperage, \$25. - - - - Settled G. W. Brown's account of \$375, by cash payment, \$125, note for balance at 30 ds., \$ - - - -.

Apr. 10. Paid cash for our note to S. S. Packard of Jan. 20, \$900; and interest on same, 47 ds., \$7.05.§ - - - - Sold Reckers & Bradford for cash, 75 brls. Flour, at \$9.80, \$735; 100 bush. Oats, at \$1.06, \$106.

Apr. 20. Paid cash for services, \$45. - - - - Sold B. Baron on note at 30 ds., 150 bush. Oats, at 93¢, \$139.50. - - - - Sold A. H. Hinman for cash, 200 bush. Oats, at 90¢, \$180.

Apr. 30. Received cash for B. Baron's note of Apr. 20; face of note, \$139.50; discount off, 23 ds., \$0.53.¶ - - - - Paid cash for our note to G. W. Brown of Apr. 1, less discount. Face of note, \$250; discount, 4 ds., \$0.17. - - - - Sold A. A. Luick for cash, 200 bush. Wheat, at \$1.50, \$300. - - - - Goods remaining unsold, 125 brls. Flour, worth \$10.25, \$1281.25.

RESULTS.—*Gain*, \$62.74. *Resources*—Cash, \$4566.49; Flour, \$1281.25; Bills Receivable, \$956. *Liabilities*—J. D. Odell, \$1516; C. E. Cady, \$1700; Stock, \$3587.74.

VOUCHERS.—1 (Mar. 1). Bill of Oats from R. C. Spencer; 2 (Mar. 1). Sight draft on D. R. Lillibridge; 3 (Mar. 10). Bill of Oats to C. T. Miller; 4 (Mar. 10). Receipt for rent; 5 (Mar. 10). Bill of Flour from J. D. Odell; 6 (Mar. 20). Bill of Flour to L. L. Williams; 7 (Mar. 20). Sight draft from D. R. Lillibridge, our favor, on J. D. Odell; 8 (Mar. 25). Bill of Flour to Folsom & Carhart; 9 (Mar. 25). Bill of Flour from C. E. Cady; 10 (Apr. 1). Bill of Flour to C. P. Meads; 11 (Apr. 1). Our note at 30 ds. for balance of G. W. Brown's account; 12 (Apr. 10). Bill of Flour and Oats to Reckers & Bradford; 13 (Apr. 20). Bill of Oats to B. Baron; 14 (Apr. 20). B. Baron's note at 30 ds., our favor, for bill of Oats; 15 (Apr. 20). Bill of Oats to A. H. Hinman; 16 (Apr. 30). Bill of Wheat to A. A. Luick.

* Open Insurance account.

† Open Rent account.

‡ Charge Expense.

§ Open Interest account.

¶ Debit Interest, \$0.53.

QUESTIONS.

§ 84. What is a business transaction?—§ 85. What is meant by an exchange of valuable things?—§ 86. In how many directions does a transaction affect the business?—§ 87. Are the transactions given in full in Chapter I.?—What is the principal aim of the exercises in Chapter I.?—In the present chapter, where both sides of the transaction are given, what does the complete entry necessitate?—§ 88. Does a full record ever involve more than two accounts?—Give the four forms of entry.—§ 93. How many different kinds of exchange may a transaction involve?—What are they?—§ 99. What office does journalizing perform?—§ 100. When the Journal is used as a separate book, between what books does it come?—§ 102. Of how many books is a "Set" composed?—§ 103. What is the ordinary number of books in a set, and what are they called?—§ 110. What does a Trial Balance exhibit?—Should the debits and credits in a Ledger be equal, and why?—§ 111. Is the Trial Balance a perfect test of the correctness of the Ledger?—Mention the circumstances under which a Ledger may balance and yet be wrong.—§ 112. Is the Trial Balance ordinarily accepted as a sufficient test of the correctness of the Ledger?—§ 113. What facts appear upon the open Ledger?—What important fact as to the condition of the business cannot be shown in the current Ledger?—§ 116. What is shown in the Analytic Statement?—§ 117. Why may not the value of unsold goods be gathered from the open Ledger?—§ 118. What is necessary in order to show the condition of the business in the Ledger?—119. What is this process called?—§ 122. What is the effect of closing an account?—When is it usual to close an account?—§ 123. Does the closing of an account change its relations or its condition?—In case the sides are equal, what is accomplished by closing an account?—§ 124. In case the sides are unequal, does the closing of an account extinguish the inequality?—How is the fact of the account perpetuated?—§ 125. What objects may be served by closing an account?—§ 126. What is the real purpose of closing the Ledger?—§ 127. What is the effect of closing the Ledger?—128. What purpose does the red ink entry serve in closing entries?—May a Ledger be closed through Journal entries?—Is this ever done?

CHAPTER III.

BUSINESS SERIES.

§ 134. — The aim of this chapter is to give practical point to the instruction which has preceded it. The work is divided into “sets,” with a view to present in each set some leading idea or principle. The object is stated at the beginning, and is forcibly brought out in the record. The sets are intended to be progressive, and are only long enough to fully enforce the lessons.

§ 135. — As in all the work of this book, every set is preceded by a memorandum of transactions, which simply stands *in the place of* the transactions, and is not intended to be copied. The memorandum, in most instances, with the ultimate results, is all that is given—the whole of the work of record being left to the student.

§ 136. — The working of the first series of transactions through the form of the “Skeleton Ledger” will open up a pleasant and effective way of getting readily at the main facts. It is suggested that all the sets in this chapter be first wrought through this form. The “Skeleton Ledger” is almost indispensable in teaching book-keeping, and no live teacher will seek to do without it; but the student should not be permitted to use it to the exclusion of the regular forms. After working the series through in this practical way, they should be rewritten after the forms of the “Model Set.”

§ 137. — This series will be found to contain sufficient variety of transactions to fully illustrate the principles of Book-keeping; but there is no pretense that all the characteristics of the different kinds of business are given. It would not be possible within this necessarily limited space to present the ordinary details of any business. This the student will get in the advanced work which will supplement these first lessons. It is to be hoped, however, that whatever “practice” may be required to fix these lessons in mind, the lessons themselves will be so well mastered that practice will simply tend to strengthen and solidify them; for it must ever be remembered that practice, to be effective, must be founded on a full knowledge of underlying principles.

Set I. — ALAN E. COOPER, SOLE PROPRIETOR.

Characteristics.—Buying and selling produce for cash. Business begun with net capital, resulting in a *gain*, and ending with increased capital.

Names of accounts used, with number of lines required for each account—
Proprietor (10); Cash (14); Flour (6); Expense (6); Loss & Gain (8).*

New York, January 1, 18—. Investment, cash, \$5000.

2. Bought of Merrick & Son for cash, 500 brls. Flour, at \$8, \$4000.

3. Sold for cash to E. G. Folsom, 200 brls. Flour, at \$9, \$1800.

4. Sold for cash to W. H. Clark, 300 brls. Flour, at \$9.25, \$2775.

5. Paid cash for rent and office expenses, \$125.

RESULTS.—*Capital at beginning, \$5000. Net gain, \$450. Capital at closing, \$5450.*

Set I. — CONTINUED.

[The continuation of the business of this set under the same headings is an important step, and if properly emphasized will do much to fix in the student's mind the practical utility of bringing down balances. It is, besides, the business method. The first item in the continued memorandum merely states the condition of the old Ledger after the closing entries are complete; and hence they do not require record as they would were the accounts to be opened anew.]

Characteristics.—Buying and selling for cash and on credit. Adjusting the item of unsold goods in closing the Ledger. Beginning with a net cash capital, effecting a *net gain*, and ending with an *increased capital*.

Names of additional accounts, with number of lines required for each—James Carter (4); Wheat (7); Oats (8); H. C. Spencer (4).

New York, January 10, 18—. The investment, as shown in the Ledger balances, is cash, \$5450.*

12. Bought of James Carter on %, 1000 bush. Wheat, at \$1.12, \$1120.

15. Bought of James Jewell for cash, 1500 bush. Oats, at 60¢, \$900.

20. Sold Ira Mayhew for cash, 300 bush. Oats, at 70¢, \$210; 200 bush. Wheat, at \$1.25, \$250—Total, \$460.

25. Sold W. N. Yerex for cash, 200 bush. Oats, at 75¢, \$150. - - - Sold H. C. Spencer on %, 500 bush. Wheat, at \$1.20, \$600.

30. Paid cash for current expenses, \$75. - - - Sold Frank Goodman for cash, 500 bush. Oats, at 75¢, \$375. - - - Have remaining unsold, 300 bush. Wheat, at \$1.15, \$345; 500 bush. Oats, at 65¢, \$325.

RESULTS.—*Capital, beginning, \$5450. Net gain \$160. Capital, closing, \$5610.*

* The space allotted to the accounts covers not only the transactions of the set proper, but gives room also for the closing of the accounts, bringing down the balances, and continuing the business as suggested in the continued transactions. This having been done to make an entry of the continued investment.

§ 138.—SKELETON LEDGER.

<i>Dr.</i>		Proprietor.	<i>Cr.</i>	
<i>Balance</i>	5450	Jan. 1	5000	
		L. & G.	450	
	5450		5450	
<i>Balance</i>	5610	Balance	5450	
		L. & G.	160	
	5610		5610	
		Balance	5610	

<i>Dr.</i>		Cash.	<i>Cr.</i>	
Jan. 1	5000	Jan. 2	4000	
3	1800	5	125	
4	2775	<i>Balance</i>	5450	
	9575		9575	
Balance	5450	Jan. 15	900	
Jan. 20	460	30	75	
25	150	<i>Balance</i>	5460	
30	375			
	6435		6435	
Balance	5460			

<i>Dr.</i>		Flour.	<i>Cr.</i>	
Jan. 2	4000	Jan. 3	1800	
L. & G.	575	4	2775	
	4575		4575	

<i>Dr.</i>		Expense.	<i>Cr.</i>	
Jan. 5	125	L. & G.	125	
Jan. 30	75	L. & G.	75	

<i>Dr.</i>		Loss & Gain.	<i>Cr.</i>	
Expense	125	Flour -	575	
<i>Prop'tor</i>	450			
	575		575	
Expense	75	Wheat -	75	
<i>Prop'tor</i>	160	Oats -	160	
	235		235	

<i>Dr.</i>		James Carter.	<i>Cr.</i>	
		Jan. 12	1120	

<i>Dr.</i>		Wheat.	<i>Cr.</i>	
Jan. 12	1120	Jan. 20	250	
L. & G.	75	25	600	
		<i>Balance</i>	345	
	1195		1195	
Balance	345			

<i>Dr.</i>		Oats.	<i>Cr.</i>	
Jan. 15	900	Jan. 20	210	
L. & G.	160	25	150	
		30	375	
		<i>Balance</i>	325	
	1060		1060	
Balance	325			

<i>Dr.</i>		H. C. Spencer.	<i>Cr.</i>	
Jan. 25	600			

Set II.—J. J. ANDERSON, SOLE PROPRIETOR.

Characteristics.—Buying and selling groceries for cash. Beginning with net capital; producing loss, and closing with decreased capital.

Names of accounts used, with number of lines required for each—Proprietor, (11); Cash (19); Merchandise (19); Expense (8); Loss & Gain (10).

Brooklyn, January 15, 18—. Investment, cash, \$6000.

16. Bought of Acker, Merrill & Co. for cash, 31 hhds. Molasses, 4000 gals. at 80¢, \$3200.

17. Sold H. M. Gardner for cash, 11 hhds. Molasses, 1335 gals., at 85¢, \$1134.75.

18. Sold H. W. Beecher for cash, 15 hhds. Molasses, 1995 gals., at 75¢, \$1496.25.

20. Sold R. Harper for cash, 5 hhds. Molasses, 670 gals, at 75¢, \$502.50.

21. Paid current expenses in cash, \$150.

RESULTS.—*Capital at beginning, \$6000. Net loss, \$216.50. Capital at closing, \$5783.50.*

Set II.—CONTINUED.

Characteristics.—Continuing the grocery business, under the same accounts, by adding new articles. Buying and selling for cash and on credit. Compromising with a creditor. The business resulting in a loss, which the proprietor makes good by an equal investment.

Names of additional accounts, with number of lines required for each—Acker, Merrill & Co. (4); D. T. Ames (4); Park & Tilford (4); W. H. Patrick (4); Bills Payable (4).

Brooklyn, February 1, 18—. Bought of Acker, Merrill & Co. on 30 ds. credit, 10 hhds. Muscovado Sugar, 15500 lbs., at 9½¢, \$1472.50; 20 chests Young Hyson Tea, 1250 lbs., at 53¢, \$662.50 = \$2135.

10. Paid cash for store rent in advance, \$75. - - - - Sold D. T. Ames on 10 ds. credit, 4 chests Tea, 250 lbs., at 57¢, \$142.50.

15. Bought of Park & Tilford on 30 ds. credit, 5 hhds. Porto Rico Molasses, 653 gals., at 47¢, \$306.91. - - - - Sold J. M. Frazier for cash, 2 chests Tea, 130 lbs., at 59¢, \$76.70.

20. Sold W. H. Patrick on 10 ds. credit, 1 hhd. Molasses, 110 gals., at 50¢, \$55; 2 chests Tea, 120 lbs., at 60¢, \$72.40 = \$127.40. - - - - Bought of G. W. Michael for cash. 10 mats Java Coffee, 500 lbs., at 9¢, \$45. - - - - Sold C. N. Crandle for cash, 4 mats Java Coffee, 200 lbs., at 10½¢, \$21. - - - - Received cash of D. T. Ames. in full of his account, \$———

25. Sold J. W. Swank for cash, 50 lbs. Coffee, at 12¢, \$6; 1 hhd. Molasses, 125 gals, at 50¢, \$62.50 = \$———. Accepted Park & Tilford's draft at 20 ds., favor of A. C. Lobeck, for amount of our debt, \$———.

28. Paid cash for services, \$75. ——— W. H. Patrick has settled with his creditors at 50 cents on the dollar; and in accordance with that arrangements pays us cash for one-half his indebtedness of \$132.40. Cash received, \$66.20; loss incurred, \$66.20. ——— Sold H. A. Spencer for cash, 5 hhds. Sugar, 7800 lbs., at 8¼¢, \$643.50. ——— Paid Acker, Merrall & Co. cash in full of their %, \$———. ——— Have remaining unsold, 5 hhds. Sugar, 7700 lbs., at 9¢, \$693; 12 chests Tea, 740 lbs., at 50¢, \$370; 4 hhds. Molasses, 540 gals., at 40¢, \$216; 5 mats Coffee, 250 lbs., at 7½¢, \$18.75—Total, \$———.

Received from proprietor cash, to make good the loss incurred during the business, \$———.*

RESULTS AT CLOSING.—*Resources*—Cash, \$4792.66; Merchandise, \$1297.75.
Liabilities—Bills Payable, \$306.91; Capital, \$5783.50.

Set III. — JAMES SANFORD, PROPRIETOR.

Characteristics.—Buying and selling Dry Goods for cash and on personal account. Beginning without capital, realizing a gain, and closing with net resources resulting from gain, which forms capital for continuing the business. Part of the merchandise remaining unsold.

Names of accounts used, with number of lines for each—Proprietor (7); Merchandise (17); Cash (16); H. B. Clafin (6); C. A. Walworth (5); A. T. Stewart (6); J. C. Bryant (5); Expense (6); H. P. Perrin (5); Loss & Gain (9).

Albany, February 1, 18—. Bought of H. B. Clafin, New York, on four months' credit, 5 cases, 8310 yds. Wamsutta Muslin, at 31¢, \$2576.10.

2. Sold James Shepard for cash, 1 case, 1710 yds. Wamsutta Muslin, at 34¢, \$581.40.

3. Sold C. A. Walworth on account, 2 cases, 3250 yds. Wamsutta Muslin, at 35¢, \$1137.50.

4. Bought of A. T. Stewart & Co., New York, on 3 months' credit, 6 cases 8556 yds. Amoskeag Prints, at 23¢, \$1967.88.

5. Sold J. C. Bryant on account, 2 cases, 2816 yds. Amoskeag Prints, at 25¢, \$704.

7. Sold L. L. Williams for cash, 2 cases, 3350 yds. Wamsutta Muslin, at 33½¢, \$1122.25.

* This amount can be supplied by the student after ascertaining the loss. Then the entry should be made.

8. Paid expenses in cash, \$175.

9. Sold H. P. Perrin on account, 2 cases, 2794 yds. Amoskeag Prints, at 26¢, \$726.44.

Remaining unsold.—2946 yds. Amoskeag Prints, at 23¢, \$677.58.

RESULTS.—*Capital at beginning, nothing. Net gain, \$230.19. Capital at closing, \$230.19. Resources*—Cash, \$1528.65; Merchandise, \$677.58; C. A. Walworth, \$1137.50; J. C. Bryant, \$704; H. P. Perrin, \$726.44. *Liabilities*—H. B. Clafin, \$2576.10; A. T. Stewart, \$1967.88; Capital, \$230.19.

Set III.—CONTINUED.

Characteristics.—Continuing the Dry Goods business under the same accounts. Liquidating personal accounts and bills, payable and receivable, before due, with interest allowances. Closing out the business. Incurring a loss, thereby decreasing the capital.

Names of additional accounts, with number of lines required for each—Bills Payable (5); Bills Receivable (7); Interest (7).

Albany, February 10, 18—. Accepted H. B. Clafin's draft at 3 months, favor of C. C. Curtiss, for \$1500. - - - - Bought of A. T. Stewart & Co. on 30 ds. time, 5 cases, 6800 yds. Am. Fancy Prints, at 10½¢, \$714.

12. Sold A. L. Wyman for cash, 20 pes., 710 yds. Fancy Prints, at 11½¢, \$81.65. - - - - Sold J. J. Souder, on his note at 30 ds., 1492 yds. Amoskeag Prints, at 25¢, \$373.

15. Received of C. A. Walworth in settlement of his account, his note, our favor, at 30 ds., \$——. - - - - Drew 10 ds. draft on H. P. Perrin, favor of A. T. Stewart & Co., for amount of Perrin's indebtedness, and remitted the same to A. T. Stewart & Co. to apply on our account, \$——.

20. Sold W. M. Carpenter for cash, 315 yds. Fancy Prints, at 11½¢, \$36.22. - - - - Sold T. B. Stowell, on his note at 30 days, our entire stock of goods, viz.: 1454 yds. Amoskeag Prints, at 21¢, \$305.34; 5775 yds. Am. Fancy Prints, at 10¢, \$577.50 = \$882.84. - - - - Paid cash for current expenses to date, \$75.18.

25. Settled with H. B. Clafin, giving him in full payment T. B. Stowell's note, \$882.84. Cash, \$174.74; discount allowed, \$18.52* = \$——. - - - - Received cash of J. C. Bryant in full of his account, \$——. - - - - Received cash in full of Walworth's note of \$1137.50, less discount on same for unexpired time, \$4.35.† - - - - Received cash in full of J. J. Souder's

* This account is paid before it is due by equation, and hence we are entitled to the discount for the unexpired time, which is assumed to be \$18.52. *Debit* Clafin \$1076.10; *Credit* Bills Receivable \$882.84; Cash, \$174.74; Interest, \$18.52.

† *Debit* Cash and Interest; *Credit* Bills Receivable.

note of \$373; less discount for 20 ds., \$1.24.* - - - - Paid cash for our acceptance of Feb. 10, favor of C. C. Curtiss, \$1500; less discount for 77 days, \$19.25.† - - - - Paid cash to A. T. Stewart & Co. in full account, being allowed discount for unexpired time, \$———. Balance of account, \$1555.44. Discount allowed, \$23.03.‡

RESULTS.—*Capital at beginning*, \$230.19. *Loss*, \$37.84. *Capital at closing*, \$192.35.

Set IV.—STUDENT, PROPRIETOR.§

Characteristics.—Dealing in Furniture. Buying and selling for cash and on credit. Beginning with net capital; incurring a loss in excess of capital, and closing insolvent.

Names of accounts used, with number of lines required for each||—Student (6); Cash (17); Bills Receivable (8); Merchandise (18); Expense (7); A. W. Smith (8); Bills Payable (5); De Graaf & Taylor (6); Loss & Gain (11); Student (7); J. M. Phillips (7); Interest (8); Str. Queen of the West (5).

Buffalo, March 1. 18— Proprietor invests in cash, \$1500; promissory note for \$2000, signed by Warren P. Spencer, in favor of A. M. Clapp, dated March 1, inst., to run three months, with interest; stock of Furniture, valued at \$15000; total investment, \$18500. He owes on note, favor J. Brown & Co., dated Jan. 27, last, at 30 ds., and due this day, but allowed to run on interest, \$12000; also to Degraaf & Taylor, on account, \$3500—Total liabilities, \$15500.

2. Sold Millard Fillmore, on his note at 3 months, 1 set Enameled Furniture, \$75; 1 do. Black Walnut (oiled) \$275; 1 Carved Rosewood Bureau, \$100 = \$450.

3. Sold James Truman for cash, 1 Mahogany Settee, \$45; 6 Parlor Chairs, at \$6, \$36; 1 Rosewood Tête-à-Tête, \$75; 1 Black Walnut Library Bookcase, \$80—Total, \$236.

4. Paid workmen cash, \$175. - - - - Sold A. W. Smith on account, 1 Black Walnut French Bedstead, \$50; 1 Extension Dining Table, \$25; 1 Enameled Bedroom suit, \$85 = \$160.

5. Sold J. H. Goldsmith, on his note at 60 ds.. 6 Gothic chairs, at \$7, \$42; 1 Black Walnut Dressing Bureau, \$55; 1 French Mantel Clock, \$75; 6 Rosewood and Brocatelle Parlor Chairs, at \$10, \$60—Total, \$232.

* Debit Cash and Interest; Credit Bills Receivable.

† Debit Bills Payable; Credit Cash and Interest.

‡ Debit A. T. Stewart & Co.; Credit Cash and Interest.

§ Use student's name.

|| Including Sets IV and V.

6. Received cash of A. W. Smith on account, \$75. - - - - Sold Geo. T. Smythe for cash, 12 Dining Chairs, at \$3, \$36; 1 Black Walnut Child's Crib, \$15; 1 Ornamental Étagère, \$45 = \$96.

7. Paid cash for rent, \$125.

Merchandise remaining unsold, \$10000.

RESULTS.—*Net capital at commencing, \$3000. Net loss, \$4126. Deficiency at closing, \$1126.*

Set V.—STUDENT AND J. M. PHILLIPS, PROPRIETORS.

Characteristics.—Admitting a partner and continuing the same business. Consideration of interest and other sources of profit and loss. Interest allowed on net capital and charged on deficiency. Beginning with net capital (furnished by incoming partner) and closing with net gain more than sufficient to offset loss in previous set, giving to each partner a net capital at closing.

Buffalo, April 1, 18—. Student and J. M. Phillips enter into copartnership, equal in gains and losses, to continue the Furniture business of Student, as represented in previous set. J. M. Phillips to invest \$10000 cash, each partner to be allowed interest on his net investment, or charged with interest on his net deficiency. Student's resources invested (as per statement*): Cash, \$——; Bills Receivable, \$——; Merchandise, \$——; A. W. Smith's indebtedness, \$——. Student's liabilities assumed by firm: Bills Payable, \$——; Degraaf & Taylor, \$——.

J. M. Phillips invests cash, \$10000.

2. Received cash for W. P. Spencer's note of March 1, and interest thereon to date. Face of note, \$2000; Interest for 32 ds. at 7%, \$12.44.

3. Sold Steamer Queen of the West on account, 6 Rosewood Tête-à-Têtes, at \$40, \$240; 30 do. Arm Chairs, at \$10, \$300; 3 "Sleepy Hollow" Chairs, at \$50, \$150; 1 Carved Rosewood Centre Table, \$75—Total, \$765.

4. Sold Sherwood & Co., Chicago, for cash, 10 Enameled Bed Room Suits, at \$75, \$750; 12 Parlor do., at \$159, \$1800; 20 Carved Black Walnut Bureaus, at \$45, \$900—Total, \$3450. Paid Degraaf & Taylor cash in full of account, \$——.

5. Sold W. M. Carpenter, St. Louis, for cash, 6 Black Walnut Book Cases, at \$60, \$360; 10 Rosewood Parlor Suits, at \$300, \$3000; 10 Enameled Bed Room Suits, at \$75, \$750—Total, \$4110.

6. Bought of Degraaf & Taylor, New York, on account, assortment of Furniture, amounting, per invoice, to \$7579. - - - - Paid cash for insurance on building and contents, \$175; Paid workmen cash, \$219—Total, \$——

* See Set IV.

8. Sold Munroe & Co., Detroit, for cash, 4 Bed Room Suits, at \$62.50, \$250; 5 Rosewood and Brocatelle Parlor Suits, at \$250, \$1250—Total, \$1500.

9. Sold J. A. Wheeler & Co., Cleveland, on their note at 60 ds., 12 Black Walnut Parlor Suits, at \$175, \$2100; 12 Best Curled Hair Mattresses, at \$30, \$360; 20 Kettle's Patent Spring Beds, at \$60, \$1200; 4 Carved Rosewood Secretaries, at \$125, \$500—Total, \$4160.

10. Received cash in full for Millard Fillmore's note, with interest, of March 2; Face of note, \$450; Interest for 39 ds. at 7%, \$3.41—Total, \$——.

11. Received cash of A. W. Smith, to balance account, \$——.

12. Paid cash for our note and interest, due March 1; Face of note, \$12000; Interest for 43 ds. at 7%, \$100.33—Total, \$12100.33. - - - - J. M. Phillips's credit interest on net investment, \$10000, for 11 ds., at 7%, is \$21.39. - - - - Student's debit interest on net deficiency, \$1126, for 11 ds., at 7%, is \$2.41.

Merchandise remaining unsold, \$8750.

RESULTS.—*Student's deficiency at commencing, \$1126. J. M. Phillips's capital at commencing, \$10000. Net gain, \$4658.54. Student's one-half, \$2329.27. J. M. Phillips's do., \$2329.27. Student's net capital at closing, \$1200.86. J. M. Phillips's do., \$12350.66.*

Set VI.—JAMES HAMLIN AND ROBERT MCGREGOR, PROPRIETORS.

Characteristics.—Dealing in Groceries, for cash and on credit. Shipping, to be sold on shipper's account. Beginning with unequal capital; realizing a gain, which is divided according to average capital.

Accounts used, with number of lines for each—James Hamlin (6); Robert McGregor (6); Cash (10); Merchandise (11); Store and Fixtures (5); Bills Payable (5); Shipment to Columbus, No. 1 (6); Shipment to Columbus, No. 2 (6); Carter & Hawley (5); Shipm't to Wheeling (5); Sanford & White (6); Expense (6); Interest (5); Bills Receivable (5); Loss & Gain (8).

Cincinnati, January 1, 18—. The partners in this business are James Hamlin and Robert McGregor; the style of the firm is J. Hamlin & Co. Gains and Losses to be divided in proportion to investment.

James Hamlin invests, Cash, \$5000; Merchandise as follows: 10 hlds. Sugar, 15250 lbs., at 12¢, \$1830; 20 hf. chests Oolong Tea, 979 lbs., at \$1.50, \$1272.70; 7 brls. Currants, 1972 lbs., at 17¢, \$335.24—Total, \$3437.94. Total investment, \$8437.94.

Robert McGregor invests, Cash, \$10000; Store and Fixtures, \$8000—Total Investment, \$18000.

2. Bought of Johnson & Co., on our note at 10 ds., 100 boxes Cheese, 2980 lbs., at 17¢, \$506.60; 20 kegs Ohio Butter, 1494 lbs., at 31¢, \$463.14—Total, \$_____.

3. Shipped Sanford & White, Columbus, O., to be sold on our account and risk, 7 hhds. Sugar, 11192 lbs., at 12¢, \$_____.

4. Sold for cash, 1 brl. Currants, 250 lbs., at 23¢, \$57.50; 30 boxes Cheese, 889 lbs., at 20¢, \$177.80—Total, \$_____.

5. Shipped Sanford & White, Columbus, to be sold on our account and risk, 6 brls. Currants, 1722 lbs., at 17¢, \$292.74.

7. Sold Carter & Hawley on account, 5 hf. chests Oolong Tea, 247 lbs., at \$1.50, \$_____.

10. Bought of Simpson & Co., 15 brls. Mess Pork, at \$19.75, \$296.25; 25 brls. Western Beef Hams, at \$29, \$725—Total, \$_____. Gave in payment our draft at 10 ds. on Carter & Hawley for \$370.50. Cash for balance, \$_____.

11. Shipped Brown & Co., Wheeling, W. Va., to be sold on our account and risk, 10 brls. Mess Pork, valued at \$20, \$200; 20 brls. Western Beef Hams, at \$30, \$600—Total, \$_____.

15. Received of Sanford & White, an Account Sales of the sugar sent them on the 3d inst. The net proceeds, which have been entered to our credit as due on the 12th, amount to \$1575. (Shipm't to Columbus, No. 1.)

18. Paid cash for sundry items of expense, \$75; Paid cash to James Hamlin, on private account, \$200—Total, \$_____.

20. Paid cash for our note and interest, favor of Johnson & Co., due on the 15th; Face of note, \$969.74; Interest, \$0.81; Amount paid, \$_____.

25. Received Account Sales of the Currants shipped Sanford & White, Columbus, on the 5th inst. (Shipm't to Columbus, No. 2.) Our net proceeds, due the 19th, amount to \$375.

26. Bought of J. D. Hinde & Co., 20 hf. chests Young Hyson Tea, 978 lbs., at \$1.50, \$1467. Gave in payment our sight draft on Sanford & White for \$1000; Cash for balance, \$_____.

27. Sold Seymour & Co., on their note at 30 ds., 10 hf. chests Young Hyson Tea, 503 lbs., at \$1.75, \$_____.

30. Paid salaries to date in cash, \$150.

RESOURCES NOT SHOWN ON LEDGER. — *Mdse.*—3 hhds., 4058 lbs. Sugar, at 12¢, \$486.96; 15 hf. chests Oolong Tea, 732 lbs., at \$1.30, \$951.60; 10 hf. chests Young Hyson Tea, 475 lbs., at \$1.50, \$712.50; 70 boxes Cheese, 2091 lbs., at 17¢, \$355.47; 20 kegs Butter, 1494 lbs., at 31¢, \$463.14; 5 brls. Mess Pork, at \$20, \$100; 5 brls. Beef Hams, at \$30, \$150—Total, \$3219.67.

Store and Fixtures, \$8000. Shipment to Wheeling, valued at cost, \$800.

RESULTS.—Total gain, \$333.98. James Hamlin's share, \$_____. Robert McGregor's share, \$_____.

Set VII.—CHARLES SEYMOUR, PROPRIETOR.

Characteristics.—This and the succeeding set are intended to illustrate the principles and practice of a simple Commission, in connection with a general Merchandise business, as also, to some extent, the giving and receiving of notes, drawing and accepting drafts, with allowance of interest and discount; keeping a Bank account in the Ledger, drawing and receiving checks, etc., etc. This set illustrates the business of a single proprietor, closing with a net loss, and arranging to admit a partner for a continuance of the business, in Set 8. Ample material will be afforded for the rendering of Accounts Sales, Accounts Current, Bills of Purchase, etc. The notes, drafts, and checks embraced in the business should be carefully written out by the student.

Accounts used, with number of lines for each (if kept in connection with the succeeding set)—Charles Seymour (9); Cash (23); Furniture (6); Expense (7); Rent (9); Insurance (9); First National Bank (23); Bills Payable (9); Merchandise (13); Thompson & Hayes' Sales, No. 1 (6); J. L. Hunt (6); Thompson & Hayes' Sales, No. 2 (6); Bills Receivable (8); Charges (11); Commission (11); Thompson & Hayes (10); Wheeler's Sales, No. 1 (6); Thompson & Hayes' Sales, No. 3 (6); E. G. Folsom (5); Wheeler's Sales, No. 2 (6); Thompson & Hayes' Sales, No. 4 (6); Interest (9); Loss & Gain (15); Leonard Hall (6); J. R. Wheeler (6); James Doolittle (5); Good Will (5).

New York, May 1, 18—. The proprietor, Charles Seymour, invests in cash, \$5000. Paid cash for office furniture, \$350; and for books and stationery, \$50—Total, \$400.

2. Deposited in First National Bank, \$4000.

3. Bought of C. Loutrel & Co., on our acceptance at 10 ds. their favor, 50 brls. St. Louis Extra Flour, at \$13.50, \$675; 100 do. State Superfine Flour, at \$8.25, \$825—Total, \$_____.

4. Paid for three months' rent, in advance,*per check, \$375. Received from Thompson & Hayes, Chicago, to be sold on their account and risk, 100 brls. Western Extra Flour; Paid freight and drayage on same, per check, \$213.50.

5. Sold for cash, from Thompson & Hayes' Sales, No. 1, 50 brls. Flour, at \$11.40, \$_____ Sold J. L. Hunt on account, 75 brls. State Superfine Flour, at \$9.00, \$_____.

6. Took out open policy of insurance on warehouse and contents for \$30000, at $\frac{3}{4}\%$; Paid premium per check, \$225. Sold for cash, 25 brls. St. Louis Extra Flour, at \$14, \$350; 25 do. State Superfine Flour, at \$9, \$225—Total, \$575. Deposited in Bank, \$1000.

8. Received from Thompson & Hayes, Chicago, their second consignment, consisting of 100 brls. New Mess Pork; Paid freight and drayage on same, per check, \$247.50. Sold D. B. Ivison, on his note at 30 ds., from Thompson & Hayes' Sales No. 1, 50 brls. Flour, at \$11.50, \$575.

9. Rendered Thompson & Hayes' Account Sales of Flour, represented in "Sales No. 1." Our charges on same are as follows: Storage, insurance,

cooperage, etc., \$21.43;* Commission $2\frac{1}{2}\%$ on sales, \$28.62; Thompson & Hayes' net proceeds, \$881.45—Total debit to Sales No. 1, \$931.50.†

10. Sold T. R. Browne from T. & H.'s Sales No. 2, 75 brls. Pork, at \$20; \$1500; Received in payment sight draft on W. H. Crocker & Co. for \$800; Cash, \$700.‡ - - - - Deposited in Bank, \$2000.

11. Accepted Thompson & Hayes' draft on us at 10 ds. sight, favor of H. B. Bryant, for \$500.

12. Received from J. R. Wheeler, Buffalo, to be sold on his account and risk, 1000 bush. White Genesee Wheat. Paid freight and drayage, per check, \$175.

13. Sold from Wheeler's Sales No. 1, for cash, 500 bush. Wheat, at \$3.25, \$1625.

14. Received from Thompson & Hayes, Chicago, their third consignment, consisting of 500 bush. Rye; 300 do. Oats; Paid freight and drayage, per check, \$180.

15. Sold from T. & H.'s Sales No. 2, to E. G. Folsom, on account, 25 brls. Pork, at \$21, \$525.

16. Closed Thompson & Hayes' Sales No. 2, and rendered Account Sales of same. Our charges for storage, cooperage, etc., \$19.78; Commission, $2\frac{1}{2}\%$ on sales, \$50.62; Thompson & Hayes' net proceeds, \$1707.10—Total debit to Sales No. 2, \$1777.50.

17. Received from J. R. Wheeler, Buffalo, his second consignment, consisting of 2000 bush. Canadian Club Wheat; Paid freight and drayage, per check, \$325.

18. Sold J. L. Hunt on account, from T. & H.'s Sales No. 3, 500 bush. Rye, at \$1.40, \$700. - - - - Bought of J. & A. Manning, on our note at 30 ds., 400 bush. Timothy Seed, at \$3, \$——.

20. Received from Thompson & Hayes, Chicago, their fourth consignment, consisting of 200 brls. Western Extra Flour; Paid freight and drayage, per check, \$425. - - - - Deposited in Bank, \$1000.

21. Paid our acceptance favor of C. Loutrel & Co., due the 16th, per check; Face of acceptance, \$1500; Interest on same, 5 days, \$1.46; Amount paid, \$1501.46. - - - - Also, discounted our note favor of J. & A. Manning, for \$1200, due June 20. Discount off, 30 ds., \$7. Net amount paid, per check, \$1193.

* A general "Charges" account is sufficient to represent the returns from all charges except our commission, which requires a separate account.

† The teacher should explain the nature of this debit, and the object in *closing up* the separate "Sales" accounts as soon as the property is disposed of. The "Account Sales" should be made out in proper form by the student. See model, page 88.

‡ The only distinction between a sight draft and a check is that the former is drawn upon an individual, and the latter on a bank. Both being payable upon presentment, are considered the same as cash. As this draft will be deposited in our bank for collection, we shall reckon it as cash at once.

23. Received of J. L. Hunt, cash in full of account, \$——.

24. Paid our acceptance favor of H. B. Bryant, due this day, per check, \$500. - - - - Deposited in Bank, \$1875.

30. The proprietor admits as a partner in the business, Leonard Hall, who is to make a cash investment equal to the present net worth, the business to be continued under the firm name of Seymour & Co.—each partner to give his time to the business, and the losses and gains to be divided equally.

RESOURCES NOT SHOWN ON LEDGER.* — *Merchandise*, 25 brls. St. Louis Extra Flour, at \$13.50, \$337.50; 400 bush. Timothy Seed, at \$2.75, \$1100—Total, \$1437.50. *Rent*, 2 months' paid in advance, \$250. *Insurance*, 11 months' unexpired policy, \$206.25. *Furniture*, valued at \$350.

Net Loss, \$——.

Set VIII. — CHARLES SEYMOUR AND LEONARD HALL, PROPRIETORS.

Characteristics.—This is a continuation of the business of Set 7, under a new proprietorship; the business to be conducted precisely as in the previous set. The new partner, Leonard Hall, invests cash equal to the net investment of the former proprietor, which is shown in his account after carrying to it the loss of the previous business. The same Ledger accounts, with balances brought down, are used.

New York, June 1, 18——.—Leonard Hall invests cash, \$——.
- - - - Deposited in Bank, \$4000.

3. Sold James Butler, on his acceptance at 10 ds., from Wheeler's Sales, No. 1, 500 bush. Wheat, at \$3.40, \$1700. - - - - Closed Wheeler's Sales, No. 1. and rendered him an account of the same. Our charges for storage, insurance, etc., \$22.91; Commission, \$83.12. J. R. Wheeler's net proceeds, \$3043.97—Total debit to Sales Account, \$3150.

4. Bought of Lathrop & Co., 8 hhds. Muscovado Sugar, 13850 lbs., at 10½¢, \$1454.25. Paid them our sight draft on E. G. Folsom, for amount of his account, \$——; Check for balance, \$——.

5. Paid, per check, Thompson & Hayes' draft on us for \$1500.

7. Sold J. Timmons, on his note at 30 ds., 4 hhds. Muscovado Sugar, 6930 lbs., at 11¢, \$762.30.

8. Sold for cash. 25 brls. St. Louis Extra Flour, at \$15, \$375. - - - - Paid cash for postage and revenue stamps, \$10.

* Among the open Ledger accounts are Wheeler's Sales, No. 1, Thompson & Hayes' Sales, No. 3, Wheeler's Sales, No. 2, and Thompson & Hayes' Sales, No. 4; the former two of which show an excess of the credit side, and the latter two an excess of the debit side. As the business for which these accounts were opened is not concluded, they are treated in this statement precisely like personal accounts, waiving our immature claims for charges and commission.

10. Received cash in full for D. B. Iverson's note of May 8, due this day. \$———. - - - - Deposited cash, \$900.

12. Sold for cash, 400 bush. Timothy Seed, at \$3.50, \$1400.

15. Sold for cash, from Thompson & Hayes' Sales, No. 3, 300 bush. Oats at 65¢, \$195. - - - - Closed T. & H.'s Sales, No. 3, and rendered an account of the same; our charges for storage, insurance, etc., amount to \$13.87; our commission, \$22.37. Thompson & Hayes' net proceeds, \$678.76—Total debit to Sales Account, \$715.

16. Paid J. R. Wheeler's sight draft on us, favor First National Bank, per check, \$2500.

18. Sold James Doolittle on account, from Wheeler's Sales, No. 2, 1500 bush. Canadian Club Wheat, at \$2.35, \$3525; also from Thompson & Hayes' Sales, No. 4, 200 brls. Flour, at \$11.35, \$2270—Total, \$5795.

19. Closed Thompson & Hayes' Sales, No. 4, and rendered account of the same. Our charges for storage, cooperage, etc., \$24.59; our commission, at 2½%, \$56.75. Thompson & Hayes' net proceeds, \$1763.66. Total debit to Sales Account, \$1845.

20. Sold for cash, from Wheeler's Sales, No. 2, 500 bush. Canadian Club Wheat, at \$2.49, \$1200.

21. Closed Wheeler's Sales, No. 2, and rendered account of the same. Our charges for storage, insurance, etc., \$23.17. Commission, 2½%, \$118.12. J. R. Wheeler's net proceeds, \$4258.71. Total debit to Sales Account, \$4400.

24. Received cash in full for James Butler's acceptance of the 3d inst.; Face of acceptance, \$1700; Interest on same, 8 days, \$2.64; Amount received, \$1702.64.

25. Received cash, less discount, for J. Timmons' note of the 7th inst., due July 10. Face of note, \$762.30; Discount, \$2.22; Net amount received, \$760.08. - - - - Deposited in Bank, \$4500.

27. Received of Jas. Doolittle, check in full of his account, \$———. - - - - Deposited in Bank, \$6000.

28. We have this day arranged with Lathrop & Moore, for the sale to them of our entire business, including Furniture, Lease, Good Will, etc.; possession to be given July 1. Received their note at 3 months, for the following considerations and amount: Four years and ten months' lease of store, together with one month's prepaid rent, \$2000; Ten months' unexpired Policy on \$30000, Store and Contents, \$187.50; Furniture, \$300; Good Will, \$2000—Total, \$4487.50.

29. Accepted J. R. Wheeler's draft at 10 ds., favor of Thos. Shields, for balance of his account, \$———. - - - - Sold for cash, 4 hhds. Muscovado Sugar, 6920 lbs., at 12¢, \$830.40. - - - - Paid Thompson & Hayes' sight draft, per check, for balance of their account, \$———.

30. Deposited in Bank, \$2712.86.

RESULT.—Total net gain, \$4512.52; Seymour's share, \$———; Hall's do., \$———.

CHAPTER IV.

TEST EXERCISES AND FORMS.

SYNTHESIS.

Journalize the following transactions :

1. Bought merchandise for \$1295.75 ; Paid cash \$795.75, and accepted thirty days' draft for balance.

2. Sold merchandise to S. R. Eaton for \$700 ; on which he paid \$330 cash, leaving balance to remain on account.

[Record the above by two methods ; first in *one* entry, and next in *two* entries.]

3. Sold F. E. Rogers merchandise for \$500, for which he agrees, within ten days, to give his note with a good endorser.

4. Received the note, instanced in the above transaction.

5. Received \$500 cash on loan for six months, giving in exchange our note for the time with interest added at the rate of 6 *per cent per annum*.

6. Had our note for \$700 discounted for three months, receiving the proceeds in cash ; the abatement being the interest on the face of the note for three months and three days.

7. Stuart & Co., who owe us \$1975, have compromised with their creditors at 75 cents on the dollar, and pay us that proportion of our account in cash.

8. G. A. Gaskell holds our note for \$1000, on which has accumulated \$75 interest ; we pay the interest in cash, and give them a new note of the same amount.

9. W. E. Drake holds our note for \$500, on which is due \$37.50 interest ; we pay the interest and one-half the note in cash.

10. We hold a note of \$700 against Stewart & Hammond, due to-day, with interest at 6 *per cent per annum* for 93 days ; they pay the interest and \$300 of the note in cash, issuing a new note for the balance.

11. J. D. Odell owes us \$750, which has been due three months ; he pays us cash \$100, and gives his note for balance, including three months' interest on the amount, at 6 *per cent. per annum*.

12. T. B. Stowell sells for us on commission, merchandise for \$1200, paying us cash, less his commission at $2\frac{1}{2}$ per cent on the amount of the sale.

[Record the above in *two* separate entries; also in *one* entry complete, keeping a Commission account. Also make the entry in the two forms, *omitting* Commission account.]

13. C. Barker, against whom we hold a note for \$300, with accumulated interest of \$17, permits the note to go to protest, we paying the protest fees (\$1.75) in cash.

[The question may arise as to whether the expense of protest should be added to the note or charged to the maker separately. It may be well to make the entry in different ways: 1. By increasing Bills Receivable in the amount of the protest; 2. By charging the protest fee to personal account; 3. By transferring the entire indebtedness to personal account, thus recognizing a dishonored note as simply a collateral. In view of the transaction which follows, these three forms of entry will afford an instructive variety.]

14. We have compromised with C. Barker for the above indebtedness, receiving in full payment of the same \$100 cash.

15. Paid cash for insurance on \$10000 of merchandise in store, at $\frac{3}{4}$ of 1 per cent.

16. The merchandise, insured as above, has been consumed, and we receive the full amount of insurance in cash.

17. F. C. Woodbury is charged on our books \$750; the account has been standing three months. We accept in payment his note for the debt and interest added for the time, at 6 per cent per annum.

18. In settlement of our account against Isaac Smith at a previous date, we made an abatement in his favor of \$112.50. He now pays us the amount in cash.

19. In payment of Samuel Parker's account against us of \$475, we draw upon our debtors Jones and Smiley.

20. Our profits during the past year, as shown in the Loss & Gain account, amount to \$15075, which is to be divided between the partners as follows: John Robb, $\frac{1}{3}$; Thomas Sims, $\frac{2}{3}$.

ANALYSIS.

Write out in due form the transactions which would produce the following Journal entries:

<i>Debits.</i>	<i>1</i>	<i>Credits.</i>
Merchandise - - - - \$300		Cash - - - - - \$300
	<i>2</i>	
Merchandise - - - - 750		Bills Payable - - - - 750

3

Merchandise - - - - - 175

A. C. Lobeck - - - - - 175

4

Merchandise - - - - - 250

J. N. Kimball - - - - - 100

Cash - - - - - 150

5

Cash - - - - - 110

Merchandise - - - - - 110

6

Cash - - - - - 300

Bills Receivable - - - - - 300

7

Cash - - - - - 425

Bills Receivable - - - - - 400

Interest - - - - - 25

8

Cash - - - - - 473

Bills Payable - - - - - 500

Interest - - - - - 27

9

Cash - - - - - 512.50

Bills Receivable - - - - - 600

Interest - - - - - 87.50

10

Cash - - - - - 175

James Magoon - - - - - 200

Loss & Gain - - - - - 25

11

Cash - - - - - 143

Mott & Co. - - - - - 600

Interest - - - - - 57

Bills Receivable - - - - - 400

12

Government Bonds - - - 5000

Cash - - - - - 5317.50

Interest - - - - - 17.50

Premium - - - - - 300

13

Bills Payable - - - - - 500

Merchandise - - - - - 200

Cash - - - - - 297.50

Interest - - - - - 2.50

14

Merchandise - - - - - 2000

Cash - - - - - 1500

Bank Stock - - - - - 2000

Bills Payable - - - - - 2500

15

Cash - - - - - 1275

Howard's Sales - - - - - 1275

16	
James Parton - - - - 2150	Shipment to Buffalo - - - 2150
17	
Shipment to Boston - - - 1405	Merchandise - - - - - 1275
	Cash - - - - - 130
18	
Rowe's Sales - - - . - 18.75	Cash - - - - - 18.75
19	
Bills Receivable - - - - 1500	Cash - - - - - 1000
Interest - - - - - 75	Loss & Gain - - - - - 575
20	
Cash - - - - - 172.50	T. Horton - - - - - 185
Interest - - - - - 12.50	
21	
Insurance - - - - - 75	Cash - - - - - 75
22	
Cash - - - - - 175	Rent - - - - - 175
23	
Howard's Sales - - - - 1050	Storage - - - - - 15
	Commission - - - - - 30
	James Howard - - - - 1005
24	
Cash - - - - - 25	Commission - - - - - 25
25	
Cash - - - - - 300	Hertz & Co. - - - - - 950
Bills Payable - - - - - 400	
Interest - - - - - 17.50	
Loss & Gain - - - - - 232.50	
26	
Bills Receivable - - - - 500	Bills Payable - - - - - 500
27	
Personal Expenses - - - 17.50	Cash - - - - - 17.50
28	
Smith (proprietor) - - - 118	Cash - - - - - 118
29	
Loss & Gain - - - - - 929	Smith (proprietor) - - - 929

30

Smith (proprietor) - - -	375	Loss & Gain - - - -	375
--------------------------	-----	---------------------	-----

31

Commission & Services - -	137.50	Cash - - - - -	137.50
---------------------------	--------	----------------	--------

32

Bills Receivable - - - -	300	John Wood - - - - -	310
Interest - - - - -	10		

33

Bills Payable - - - - -	350	C. Mitchell - - - - -	363
Interest - - - - -	13		

VOUCHERS.

For complete data for the following papers refer to the transactions themselves, as indicated in the headings.

1. PAPERS TO ACCOMPANY SET 1. (Page 64.)

1. Receipted bill from Merrick & Son to Alan E. Cooper, of 500 brls. Flour, at \$8.

2. Receipted bill from Alan E. Cooper to E. G. Folsom, of 200 brls. Flour, at \$9.

3. Receipted bill from Alan E. Cooper to W. H. Clark, of 300 brls. Flour, at \$9.25.

2. PAPERS TO ACCOMPANY SET 1. Continued. (Page 64.)

1. Bill from James Carter to Alan E. Cooper, of 1000 bush. Wheat, at \$1.12. Jan. 12.

2. Bill from James Jewell to Alan E. Cooper, of 1500 bush. Oats, at 60¢. Jan. 15.

3. Receipted bill from Alan E. Cooper to Ira Mayhew, of 30 bush. Oats, at 70¢; 200 bush. Wheat, at \$1.25. Jan. 20.

4. Receipted bill from Alan E. Cooper to W. N. Yerex, of 200 bush. Oats, at 75¢. Jan. 25.

5. Bill from Alan E. Cooper to H. C. Spencer, of 500 bush. Wheat, at \$1.25. Jan. 25.

6. Receipted bill from Alan E. Cooper to Frank Goodman, of 500 bush. Oats, at 75¢. Jan. 30.

3. PAPERS TO ACCOMPANY SET 2. (Page 66.)

1. Receipted bill from Acker, Merrall & Co., New York, to J. J. Anderson, of 31 hhds. Molasses, 4000 gals., at 80¢. Jan. 16.

2. Receipted bill from J. J. Anderson, Brooklyn, to H. M. Gardner, of 11 hhds. Molasses, 1335 gals., at 85¢. Jan. 17.

3. Receipted bill from J. J. Anderson, Brooklyn, to H. W. Beecher, of 15 hhds. Molasses, 1995 gals., at 75¢. Jan. 18.

4. Receipted bill for J. J. Anderson, Brooklyn, to R. Harper, of 5 hhds. Molasses, 670 gals., at 75¢. Jan. 20.

4. PAPERS TO ACCOMPANY SET 2. Continued. (Page 66.)

1. Bill (30 ds. credit) from Acker, Merrall & Co., New York, to J. J. Anderson, of 10 hhds. Muscovado Sugar, 15560 lbs., at 9½¢; 20 chests Young Hyson Tea, 1250 lbs., at 53¢. Feb. 1.

2. Bill from J. J. Anderson to D. T. Ames (10 ds. credit), of 4 chests Young Hyson Tea, 250 lbs., at 57¢. Feb. 10.

3. Bill from Park & Tilford, New York, to J. J. Anderson (30 ds. credit), of 5 hhds. Porto Rico Molasses, 653 gals., at 47¢. Feb. 15.

4. Receipted bill from J. J. Anderson, Brooklyn, to J. M. Frazier, of 2 chests Tea (Young Hyson), 130 lbs., at 59¢. Feb. 15.

5. Bill (10 ds. credit) from J. J. Anderson, Brooklyn, to W. H. Patrick, of 1 hhd. Molasses, 110 gals., at 50¢; 2 chests Young Hyson Tea, 129 lbs., at 60¢. Feb. 20.

6. Receipted bill from G. W. Michael, New Orleans, to J. J. Anderson, of ten mats Java Coffee, 500 lbs., at 9¢. Feb. 20.

7. Receipted bill from J. J. Anderson, Brooklyn, to C. N. Crandle, of 4 mats Java Coffee, 200 lbs., at 10½¢. Feb. 20.

8. Receipt from J. J. Anderson to D. T. Ames, for cash, in full of his account. Feb. 20.

9. Receipted bill from J. J. Anderson, Brooklyn, to J. W. Swank, for 50 lbs. Coffee, at 12¢; 1 hhd. Molasses, 125 gals., at 50¢. Feb. 25.

10. Twenty days' draft drawn by Park & Tilford, New York, Feb. 25, on J. J. Anderson, Brooklyn, and accepted by him, favor of A. C. Lobeck.

11. Letter from W. H. Patrick, enclosing his check for \$66.20, which we had agreed to accept as a compromise in the settlement of his account. The letter should express a proper appreciation of the favor. Feb. 28.

12. Receipted bill from J. J. Anderson, Brooklyn, to H. A. Spencer, of 5 hds. Sugar, 7800 lbs., at $8\frac{1}{4}\%$. Feb. 28.

13. Receipt from Acker, Merrall & Co. to J. J. Anderson, for cash, in full of $\%$. Feb. 28.

5. PAPERS TO ACCOMPANY SET 3. (Page 67.)

1. Bill from H. B. Clafin, New York, to James Sanford at four months' credit, of 5 cases, 8310 yds., Wamsutta Muslin, at 31% . Feb. 1.

2. Receipted bill from James Sanford, Albany, to James Shepard, of 1 case, 1710 yds., Wamsutta Muslin, at 34% . Feb. 2.

3. Bill from James Sanford, Albany, to C. A. Walworth, of 2 cases, 3250 yds., Wamsutta Muslin, at 35% . Feb. 3.

4. Bill from A. T. Stewart & Co., New York, to James Sanford, three months' credit, of 6 cases, 8556 yds., Amoskeag Prints, at 23% . Feb. 4.

5. Bill from James Sanford, Albany, to J. C. Bryant, of 2 cases, 2816 yds., Amoskeag Prints, at 25% . Feb. 5.

6. Receipted bill from James Sanford, Albany, to L. L. Williams, of 3350 yds. Wamsutta Muslin, at $33\frac{1}{2}\%$. Feb. 7.

7. Bill from James Sanford, Albany, to H. P. Perrin, of 2 cases, 2794 yds., Amoskeag Prints, at 26% . Feb. 9.

6. PAPERS TO ACCOMPANY SET 3. Continued. (Page 68.)

1. H. B. Clafin's draft, at three months—dated New York, Feb. 8—on James Sanford, Albany, for \$1500, favor of C. C. Curtiss, and accepted by Sanford, Feb. 10.

2. Bill at 30 ds. from A. T. Stewart & Co., New York, to James Sanford, of 5 cases, 6800 yds., Am. Fancy Prints, at $10\frac{1}{2}\%$. Feb. 10.

3. Receipted bill from James Sanford, Albany, to A. L. Wyman, of 20 pcs., 710 yds., Am. Fancy Prints, at $11\frac{1}{2}\%$. Feb. 12.

4. Bill from James Sanford, Albany, to J. J. Souder, of 1492 yds. Amoskeag Prints, at 25% . Feb. 12.

5. Note at 30 ds., made by J. J. Souder in favor of James Sanford for \$373, dated at New York, Feb. 12, and payable at Wall St. Bank.

6. Note at 30 ds., made by C. A. Walworth in favor of James Sanford for \$1137.50, dated at New York, Feb. 13, and payable at East River Bank.

7. Draft at 10 ds., drawn by James Sanford, New York, Feb. 15, on H. P. Perrin, Buffalo, favor of A. T. Stewart & Co., for \$726.44.

8. Receipted bill from James Sanford, New York, to W. M. Carpenter, of 315 yds. Am. Fancy Prints, at $11\frac{1}{2}\phi$. Feb. 20.

9. Bill at 30 ds. credit from James Sanford, Albany, to T. B. Stowell, of 1454 yds. Amoskeag Prints, at 21ϕ ; 5775 yds. Am. Fancy Prints, at 10ϕ . Feb. 20.

10. Note at 30 ds. from T. B. Stowell, dated New York, Feb. 20, in favor of James Sanford, for \$882.84, payable at Importers and Traders' Bank. Feb. 25.

11. Receipt from James Sanford, Albany, for \$704, to J. C. Bryant, in full of $\%$. Feb. 25.

12. Receipt from A. T. Stewart & Co. to James Sanford, in full of $\%$. Feb. 25.

7. PAPERS TO ACCOMPANY SET 4. (Page 69.)

1. Note of W. P. Spencer for \$2000, dated Buffalo, March 1, at three months, with interest, in favor of A. M. Clapp, and payable at New York & Erie Bank.

2. Note of Student, favor of J. Brown & Co., dated Buffalo, Jan. 27, at 30 ds., and payable at Niagara Bank, for \$12000.

3. Bill from Student, Buffalo, to Millard Fillmore, of 1 set Enameled Furniture, \$75; 1 do. Black Walnut (oiled) \$275; 1 Carved Rosewood Bureau, \$100. March 2.

4. Millard Fillmore's note, dated Buffalo, March 2, at 3 mos., favor of Student, and payable at Student's office, \$450.

5. Receipted bill from Student, Buffalo, to James Truman, of 1 Mahogany Settee, \$45; 6 Parlor Chairs, at \$6; 1 Rosewood Tête à Tête, \$75; 1 Black Walnut Library Book Case, \$80. March 3.

6. Bill from Student, Buffalo, to A. W. Smith, of 1 Black Walnut French Bedstead, \$50; 1 Extension Dining Table, \$25; 1 Enameled Bedroom Suit, \$85. March 4.

7. Bill from Student, Buffalo, to J. H. Goldsmith (note at 60 ds.), of 6 Gothic Chairs, at \$7; 1 B. W. Dressing Bureau, \$55; 1 French Mantel Clock, \$75; 6 Rosewood and Brocatelle Parlor Chairs, at \$10. March 5.

8. J. H. Goldsmith's note, fulfilling above conditions.

9. Receipt from Student to A. W. Smith, Feb. 6.

10. Receipted bill from Student, Buffalo, to Geo. T. Smythe, of 12 Dining Chairs, at \$3; 1 B. W. Child's Crib, \$15; 1 Orn. Etagère, \$45. March 6.

11. Receipt from J. M. Phillips for rent of Store, No. 159 Main St., one month, \$125.

8. PAPERS TO ACCOMPANY SET 5. (Page 70.)

1. Bill to fill the conditions of sale of Apr. 3.
 2. Bill to fill the conditions of sale of Apr. 4.
 3. Receipt for payment to DeGraaf & Taylor of Apr. 4.
 4. Bill to fill the conditions of sale of Apr. 5.
 5. Bill to fill the conditions of purchase of Apr. 6.
 6. Bill to fill the conditions of sale of Apr. 8.
 7. Bill and note to fill the conditions of sale of Apr. 9.
 8. Receipt to A. W. Smith, as per payment Apr. 11.
-

9. PAPERS TO ACCOMPANY SET 6. (Page 71.)

1. Bill and note filling the conditions of purchase of Jan. 2.
2. Invoice of shipment of Jan. 3;* also letter addressed to consignees, covering invoice and making suggestions as to sales.
3. Bill filling conditions of sale of Jan. 4.
4. Invoice of shipment of Jan. 5, with accompanying letter to consignees.
5. Bill filling conditions of sale of Jan. 7.
6. Bill filling conditions of purchase of Jan. 10, also draft as prescribed.
7. Invoice of shipment of Jan. 11, with accompanying letter of instructions to consignees.
8. Account of sales received from Sanford & White, Jan. 15, covering the following items: *Total Sales*—11192 lbs. Sugar, at 15¢, \$1678.80; *Charges*—Freight, \$12; Storage and adv., \$27.93; Insurance, $\frac{1}{8}\%$, \$2.10; Cooperage, \$19.80; Commission, $2\frac{1}{2}\%$ on sales, \$41.97; Net proceeds, \$1575.*

* Models of Invoice and Account Sales on page 88.

9. Account of sales received from Sanford & White, Jan. 25, of Ship't No. 2, covering the following items: *Total Sales*—1722 lbs. Currants, at 23¢, \$396.06; *Charges*—Freight, \$5.10; Storage, \$5.56; Insurance, $\frac{1}{8}\%$, \$0.50; Commission, $2\frac{1}{2}\%$ on sales, \$9.90; Net proceeds, \$375.

10. Bill filling conditions of purchase of Jan. 26.

11. Sight draft on Sanford & White, as prescribed, Jan. 26.

12. Bill and note filling conditions of sale of Jan. 27.

10. PAPERS TO ACCOMPANY SET 7. (Page 73.)

1. Bill filling conditions of purchase of May 3.

2. Accepted draft as prescribed in connection with above purchase.

3. Invoice of consignment from Thompson & Hayes, Chicago, 100 brls Western Extra Flour.

4. Receipted bill of 50 brls. Flour, sold May 5, from Thompson & Hayes Sales, to J. L. Carpenter.

5. Bill of Flour sold J. L. Hunt, May 5.

6. Receipted bill of Flour sold May 6.

7. Invoice of second consignment from Thompson & Hayes of 100 brls Mess Pork, received May 8, with accompanying letter.

8. Bill filling conditions of sale to D. B. Ivison, May 8. Also note given by Ivison in connection with said transaction.

9. Account Sales of Flour to Thompson & Hayes, as per items, May 9, with accompanying letter.

10. Bill of Flour from Sales No. 2, as per transaction of May 10, with sight draft on W. H. C. & Co.

11. Thompson & Hayes' dft., as per indication of May 11.

12. Invoice of Wheat from J. R. Wheeler, as per May 12.

13. Bill of Wheat sold May 13.

14. Invoice of Rye and Oats from Thompson & Hayes, as per May 14.

15. Bill of Pork, sold May 15.

16. Account Sales of Pork, sold for Thompson & Hayes, as per items, May 16.

17. Invoice of Wheat from J. R. Wheeler, as per May 17.
 18. Bill of Rye, sold J. L. Hunt, May 18.
 19. Bill Timothy Seed, bought of J. & A. Manning, May 18. Note given in exchange therefor.
 20. Invoice of Flour from Thompson & Hayes, May 20.
 21. Receipt to J. L. Hunt for cash, paid May 23.
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11. PAPERS TO ACCOMPANY SET 8. (Page 75.)

1. Bill of Wheat sold James Butler, June 3.
2. Account of Sales of Wheeler's Sales No. 1, as indicated June 3.
3. Bill of Muscovado Sugar, as per purchase, June 4.
4. Draft on E. G. Folsom, as indicated June 4.
5. Thompson & Hayes' draft, as per June 5.
6. Bill of Muscovada Sugar sold Timmons, June 7. Timmons's note for same.
7. Receipted bill for 25 brls. Flour, sold June 8; D. H. Cochran, purchaser.
8. Receipted bill for 400 bush. Timothy Seed, sold June 12; D. B. Ivison, purchaser.
9. Receipted bill for 300 bush. Oats from T. & H.'s Sales, June 15; W. H. Gray, purchaser.
10. Account Sales rendered Thompson & Hayes, as per items of June 15.
11. J. R. Wheeler's sight draft, as per transaction of June 16.
12. Bill of Wheat and Flour, sold James Doolittle, June 18.
13. Account Sales rendered Thompson & Hayes, as per items, June 19.
14. Receipted bill of 500 bush. Wheat from Wheeler's Sales, June 20; Wm. A. Miller, purchaser.
15. Account Sales rendered J. R. Wheeler, as per items of June 21.
16. Lathrop & Moore's note, as indicated in transaction of June 28.
17. J. R. Wheeler's draft, as indicated in transaction of June 29.

INVOICE OF SHIPMENT.

INVOICE of *Mdse. shipped* SANFORD & WHITE, Columbus, per C. C. & C. R. R.,
to be sold on our % and risk.

A	7	Hhds. Sugar,	1631 ^a — 38 ^b	11469 ^c			
			1636 — 40	<u>277^d</u>			
			1642 — 40				
			1637 — 39				
			1632 — 38				
			1651 — 42				
			1640 — 40				
			11192 ^c lbs. 12¢	1343	04		
CINCINNATI, Jan 3, 1884.			HAMLIN & MCGREGOR.				

^a Gross weight. ^b Tare. ^c Total gross weight. ^d Total tare. ^e Total net weight.

ACCOUNT SALES.

ACCOUNT SALES of 7 Hhds., 11192 lbs., Sugar, for % and risk of
HAMLIN & MCGREGOR, Cincinnati.

1884									
Jan.	10	James N. Kimball, 30 ds.	4 hhds., 6389 lbs. - - 15¢	958	35				
"	15	Byron Horton, cash,	3 hhds., 4803 lbs. - - 15¢	720	45	1678	80		
		<hr/> <i>Charges.</i> <hr/>							
Jan.	5	Freight and Drayage - - - - -		12					
"	15	Storage and Advertising - - - - -		27	93				
		Insurance, 1/8 % - - - - -		2	10				
		Cooperage - - - - -		19	80				
		Commission, 2 1/2 % - - - - -		41	97	133	80		
		H. & McG.'s Net Proceeds - - - - -					1575		
		E. & O. E.	SANFORD & WHITE.						
		COLUMBUS, Jan. 15, 1884.							

ACCOUNT CURRENT.

E. M. PACKARD, in Account Current with L. W. GANTZ & Co.

1885			Dr.						
Jan.	3	Mdse., as per Bill rendered (60 ds.) - - - - -		325	18				
"	7	" " " (Cash) - - - - -		572	33				
"	18	" " " (30 ds.) - - - - -		50	25				
"	25	" " " " - - - - -		114	76	1062	52		
			Cr.						
Jan.	10	Cash - - - - -		500					
"	20	Draft, 10 ds., on M. E. Miller - - - - -		250		750			
			Balance - - - - -			312	52		
			PHILADELPHIA, Feb. 1, 1885.						

[For complete instruction in rendering and equating Accounts Sales and Current, see the
"PACKARD COMMERCIAL ARITHMETICS,"]

CHAPTER V.

BUSINESS CORRESPONDENCE.

§ 138. — The ability to write a good letter is one of the chief requisites of an accountant, as it is a necessary qualification of the business man. To acquire facility in letter-writing much practice may be necessary, and to be an efficient correspondent is to be not only a master of forms but of expression, and particularly of the subjects embraced in the correspondence. To teach the *art* of letter-writing is a simpler matter; and to that purpose this chapter is devoted.

§ 139. — The two chief requisites of a letter are (1) that it shall be in proper form, and (2) that it shall express the exact thought of the writer.

§ 140. — The *form* or structure of a letter comprises (1) Materials, (2) Arrangement, (3) Penmanship.

§ 141. — The *expression* of a letter relates to the proper use of words, both as to their meaning and their grammatical sequence.

STRUCTURE.

§ 142. — 1. **Materials.** These are, briefly, pen, ink, and paper, which should be of good quality and appropriate.

The best pen for any writer is that one which will enable him to do the best work with the greatest ease. Whether it be made of gold, of steel, or of the "gray goose quill" is immaterial.

The best ink for commercial use is a good quality of fluid which flows readily, and when dry becomes a permanent black. Colored inks of whatever tint are out of place in a business communication.

§ 143. — The paper should be of good consistency and color, with a surface that pleases the writer, and encourages him to do good work. The size and shape of the letter sheet is somewhat a matter of taste; and yet the ordinary uses of business limit these to the *quarto*, or letter sheet, measuring 8 by 10 inches, and the *octavo*, or note sheet, measuring 5 by 8 inches.

§ 144.—The two sizes of envelope most in use are known as Nos. 5 and 6; the former measuring about $3\frac{1}{4}$ by $5\frac{1}{2}$ inches, and the latter about $3\frac{1}{2}$ by 6 inches. No. 6 is the most convenient size for general use, in that it accommodates more readily the folded sheet and, from not fitting so snugly, is more easily opened. For official communications, manuscripts, legal documents, etc., the *official* envelope—usually about 9 inches long—is the most convenient.

§ 145.—The best color for paper and envelope is plain white, although buff envelopes, in ordinary correspondence, are much used. It is in good taste to imprint upon the heads of letter sheets, as also upon the face of the envelope, the style and address of the business house, or of the individual; but too much display should not be made of either. To print an address on the envelope will secure the prompt return of the letter to the writer, in case the person to whom it is addressed is not found.

§ 146.—2. **Arrangement.** The material of a letter should be properly arranged. This consists of (1) the date, (2) the name and address of the person to whom the letter is written, (3) the salutation, (4) the body of the letter, (5) the complimentary close, and (6) the signature.

§ 147.—The following example will indicate the usual formula :

(FORM 1.)

⁽¹⁾ *New York, Jan. 10, 1884.*

⁽²⁾ *Roberts Brothers,*

Buffalo.

⁽³⁾ *Gentlemen:* ⁽⁴⁾ *We send you by to-day's express, as per your order of the 8th, one doz. copies "Fairy Land of Science," for which please find bill enclosed.*

⁽⁵⁾ *Yours truly,*

⁽⁶⁾ *C. T. Dillingham.*

§ 148. — This formula may be varied, according to circumstances, and to suit the taste of the writer, without offending the rules of propriety. Here are a few variations :

(1) 805 Broadway, New York,
Jan. 10, 1884.

(2) Roberts Brothers,
Buffalo.

(3) Gentlemen :

(4) We send you, etc.,*

(5) Very sincerely yours,

(6) C. T. Dillingham.

(1) 805 Broadway,
New York, Jan. 10, 1884.

(2) Roberts Brothers, Buffalo.

(3) Gentlemen :

(4) We send you, etc.,

(5) Yours to command,

(6) C. T. Dillingham.

(REPLY. FORM 2.)

(1) Buffalo, Jan. 12, 1884.

(3) Dear Sir :

(4) We are in receipt of your favor of the 10th, as also of the books shipped us on that date. Please accept our thanks for your promptness.

(5) Sincerely yours,

(6) Roberts Brothers.

(2) C. T. Dillingham, Esq.,
New York.

§ 149.—3. **Penmanship.** The beauty and appropriateness of a letter depends, in no small degree, upon its penmanship, which should be, above all things, plain and legible. If, at the same time, it can be easy and graceful, so much the better. A business letter should appear to have been written “off hand,” bearing upon its face no evidence of great painstaking.

§ 150.—All flourishing of capitals, and all ornamental strokes of whatever kind, are out of place, except in the case of a master of the pen whose grace lines are perfect, not overdone, and made to fit into the harmony of the work so as to seem a part of it. To the student who lacks this unusual faculty, the safest way is not to attempt any display. Neither should one practice great variety in the forms of letters. The student should select a style of capitals and small letters which he can make most easily and effectively, and *stick to them*. He should “settle down” as soon as possible into a uniform style which he can call his own, and which shall identify him while it serves his purpose.

§ 151.—The superscription of the envelope will admit of a little more freedom and display; but even here, strict regard should be had to legibility and neatness.

EXPRESSION.

§ 152.—A business communication should be clear and positive in its purpose, and exact and unequivocal in its language; and as its language aims to express its purpose, it is of the utmost importance that the purpose should exist clearly in the mind of the writer before he essays to give it word.

§ 153.—While it is true that some persons appear to possess natural gifts of expression, it is also true that forms of expression have to be learned whatever the natural gifts. The difference, then, is that what is easy for some is hard for others; and so those who do not have expression by the grace of God, must attain it by the grace of labor.

§ 154.—Thoughts are expressed through the agency of words; and to have plenty of words at command, with the ability to use them according to the best forms, is to be a master of expression.

§ 155.—To use words properly and effectively, it is necessary to know—

1. How to spell correctly ;
2. How to choose the exact word for the exact thought ;
3. How to build the words into correct sentences ;
4. How to point off the sentences and capitalize the words, so as to secure proper reading and a just sense of what is written.

The *style* of written composition depends upon the order of thought and mental habits of the writer. It can, in a great degree, be cultivated, and should be varied to suit the occasion and the purpose.

§ 156.—1. **How to Spell.** It is of little consequence to say that the spelling of English words according to established usage is arbitrary, illogical, and ridiculous. All this may be true, and yet it remains that one must perpetuate this absurdity or be ruled out of good society ; for there is no fault in writing more sure to be noticed and more certain of condemnation than bad spelling. From the success that has attended the efforts of spelling reformers it seems possible that in a few thousand years there may be such a thing in practice as phonetic spelling ; but for the next century or two, whoever wishes to write the English language acceptably will have to spell English words as the “best usage” demands.

§ 157.—Spelling is wholly a matter of the eye ; and to learn to spell correctly is to observe how words are spelled. There are, it is true, a number of rules—with plenty of exceptions—for forming derivatives, and these rules can be learned and are useful in a measure ; but the chief difficulty is with the primitive word to which no rule applies.

To those who are deficient in spelling there is but one course open—and that is to *learn to spell*. Whether this may take a long or a short time, or whether the task be easy or hard, is of small consequence ; the thing must be accomplished.

§ 158.—2. **How to use Words.** The difference between good and bad writing lies greatly in the selection of words. Any smart and plucky boy can learn to spell ; the rules of grammar are easily learned and readily applied ; what is necessary to know about punctuation can be gathered in a few hours ; but the ability to choose the words which shall express the shades

of thought is a rare accomplishment, and one worthy of all effort.

§ 159. — It is a common fault of young writers to use exceptional or “dictionary” words, under the impression that the longer and more uncommon the words are, the more important will be the sentence, and the greater the credit due to the composer. If such persons will carefully read the writings and speeches of the great masters of diction they will be struck with the simplicity and directness of their words. These persons write and speak to be *understood*.

§ 160. — Another fault lies in the use of too many words, and especially of descriptive words. Adjectives have great charms for young writers. They seem to think that the more adjectives they can hang upon the necks of their nouns, the stronger the nouns become, while the fact is that a strong noun is only weakened by unnecessary embellishments, while a weak noun is not strengthened. The real strength of a sentence lies in its substantives and verbs, and if these are properly selected very few trappings will be needed.

§ 161. — Above all should a writer use words that are commonly understood. The only real object of expression is to convey our thoughts to others, and that can be done only through forms of expression that are understood by both parties. Hence we should use short, plain, expressive words, such as have but one meaning, and that at once apparent. There are very few words that can be used interchangeably without varying the sense. De Quincy says, “All languages tend to clear themselves of synonyms as intellectual culture advances, the superfluous words being taken up and appropriated by new shades and combinations of thought evolved in the progress of society.” It is well, however, to seek variety in expression, as the frequent repetition of the same word, although it may exactly express the thought, becomes tiresome and shows a paucity of language. Besides, the change of a word to prevent repetition may often give a new phase to the thought, which will add to, rather than detract from the force of the sentence.

§ 162. — 3. **How to Build Sentences.** Having selected the material for our sentences, the next important thing is to put them properly together. To do this is to know grammar; and as grammar is simply the *law* of language which has grown out of, and expresses “the usage of the best writers and speakers.” to

know grammar is to know what this usage is. Very few people always write or speak with absolute correctness, and yet the ordinary rules of grammar can be learned, and should be enforced. A palpable grammatical blunder will disgrace a written page quite as surely as a badly spelled word. Both are indicative of ignorance as well as of indolence.

§ 163. — But sentences may be grammatically correct, and yet lack clearness of expression. This comes not only from using too many words in a single sentence but from using words out of their best connection. As a rule, sentences should be short, each sentence expressing a single idea, and no more; but if for rhetorical reasons it may seem best to expand a sentence or paragraph, care should be taken to give breathing-places at proper intervals, and to avoid explanatory or parenthetical clauses not vital to the meaning.

§ 164. — After selecting words which will properly express the meaning intended to be conveyed, and after enforcing the rules of practical grammar in the composition, there will yet remain the necessity of aptness and grace of speech which, in some cases appears to be a natural gift, and in others can be acquired only by steady and intelligent practice under the right guidance. For this purpose nothing is so good as careful reading of proper books. It is hard to originate a form or style of expression; in fact, nobody does it, and to attempt it would be to fail in the worst way. Our form of expression, to be natural, must represent our form of thought. We should write as we speak, making use of the words and phrases which spring up in the mind as the very conception of the idea. Any deliberate planning of the form of a sentence will result in a mechanical structure which will be hard and unnatural. To speak well we should mingle with those who habitually speak well; to write well we should familiarize ourselves with the best forms of literary composition.

§ 165. — 4. **How to Punctuate.** The rules of punctuation applicable to the best forms of English composition are equally applicable to letter-writing; although very few letter-writers observe them carefully. A very little study of books and well-edited papers will enable any one to use the principal points with accuracy, and it is not deemed necessary to elaborate the rules here. It is said that no two writers agree as to the proper use

of a semicolon ; and it might be further said that no writer absolutely agrees with himself. There can be no valid objection to using the semicolon in letter-writing, although it is hardly necessary to do so, and in business letters it is rarely done ; but the comma, the period, and the interrogation point can be used without danger of misplacing them, and without subjecting the writer to the charge of pedantry or dilettanteism.

§ 166. — The use of Capitals is a matter which a few hints and a little observation will regulate. There can be no inflexible rules for using capitals in all cases, any more than there can be for emphasizing words. There are, however, certain limits which must be observed, and certain rules which have no exceptions.

Capital letters should be used—

1. At the beginning of every sentence ;
2. At the beginning of every line of poetry ;
3. At the beginning of every quotation, forming a sentence ;
4. As the initial letter in all words denoting Deity ;
5. For proper names and titles ;
6. For adjectives derived from proper names ;
7. For names of things used as persons ;
8. For names of the months and days of the year ;
9. For the pronoun “ I ” and the interjection “ O.”

§ 167. — 5. Style. Literary style is so personal a matter, depending so much upon the temperament and peculiarities of the writer, that it is difficult to classify it, or to suggest any methods that would help the student to a style of his own. It is proper, however, to recognize, in a general way, the difference between a purely literary style and an epistolary style—albeit some of our best literary productions are in the form of familiar letters.

§ 168. — Some one has said that letter-writing is “ talking on paper ”—but this applies equally well to other kinds of writing. As a rule, however, letters are less formal in their style than other kinds of composition ; just as conversation with a single individual is less formal than an address to an audience. In ordinary business correspondence there is little occasion to display rhetorical accomplishments or erudition. A “ flowery ” or a “ profound ” epistle is generally out of place in the counting-room, or as between business men. The necessities of business preclude long letters and unnecessary words. If a letter expresses all the facts in a clear and proper manner, the shorter it is the better.

§ 169. — There are, however, distinctions to be observed in business letters, depending not only upon the subject-matter of the communication but upon the relations between the parties. Letters to superiors in position should be deferential and respectful; to inferiors, kindly; and to friends and equals, familiar. Letters to strangers should be more formal and careful in expression than those to acquaintances. Letters of condolence should be tender and thoughtful; and those of congratulation, bright, cheerful, and joyous.

§ 170. — Some persons affect an epigrammatic style of expression as being pointed and forcible; others deem it a virtue—possibly an exhibition of modesty—to use the predicate without the subject, particularly when the subject is of the first person singular. It is best, as a rule, that written sentences should be complete; and the time saved by the writer or the reader in the omission of words to secure brevity is as nothing when placed against the “jerky” and incomplete sentences which result.

§ 171. — Another thing to be avoided is oracular expressions, either as to the main subject of the communication or as incidental thereto. While an exhibition of mock modesty is to be deprecated, the superior tone of the man who assumes to be the teacher of his correspondent is not only silly but offensive.

BRIEFING LETTERS.

§ 172. — All business documents of importance should be kept and filed away so as to be accessible when called for. There are various ingenious devices to this end, mostly so arranged as to preserve the letter or document intact, where it may be had at any time for reperusal. A better plan for some purposes—notably for Government Departments where documents have to be referred to frequently for the main points contained—is to file them, neatly and uniformly folded, in packages, writing upon the outside of each as folded, a “brief” of its contents, so that the desired facts may be gathered without opening the document, or even taking it from the package.

To “brief” a document properly requires a clear and perfect understanding of its contents, and the ability to so state its main points in the smallest space that a more complete perusal will be unnecessary in order to its main import.

MATERIAL FOR PRACTICE.

ARRANGEMENT. (§ 146.)

1. Put in proper form, copying in full, the following: *Date*—Boston, July 5, 1876. *To whom addressed*—S. S. Packard & Co., 805 Broadway, New York. *Salutation*—As is best. *Body of Letter*—I ship you by to-day's express 20 reams Best Calendered Pembroke Mills Book Paper, as per invoice enclosed; trusting that you may receive it in time to fill your order as indicated in your letter of yesterday. I shall be glad to know of its prompt and safe arrival. *Signature*—H. E. Hibbard.

2. *Date*—24 Post St., San Francisco, Cal., March 10, 1885. *Signature*—F. C. Woodbury. *Body of Letter*—Send me by return mail 1 copy Swinton's Word Studies, best edition, with bill for same. *Party addressed*—Iverson, Blakeman, Taylor & Co., 753 Broadway, New York.

3. (Reply to above.) *Date*—753 Broadway, New York, March 17, 1885. *Signature*—Iverson, Blakeman, Taylor & Co. *Body of Letter*—Your favor of the 10th is at hand, and we send you, as per request, Swinton's Word Studies (Library Binding). Please find bill enclosed. *Party addressed*—F. C. Woodbury, 24 Post St., San Francisco.

4. Re-arrange the following, so as to constitute an intelligible and proper letter: Very sincerely yours — I have your letter of yesterday, and beg to say in reply that our present stock of fabrics is very low. We are expecting our Spring importations by next steamer, due here on the 15th, and hope to be able to send our new lists early next week. Robert Burns — E. H. Johnson & Co. — New York, Feb. 12, 1884. 115 Market Street, Philadelphia.

SPELLING. (§ 156.)

Copy the following paragraphs, correcting the misspelled words. In the first four, the misspelled words are *italicized*; in the last two, they are left for the student's keen eye: *

1. DEAR JOHN: I write you *reletive* to the *buisness* of which we spoke when last we met. I understood you to say that you had been *offerred* much better terms for the *seperate* articles than I *offerred* you for the lot *toggether*. I would like the *privelege* of renewing my offer, which I can now do, upon a

* Spelling is so much a matter of sight that it is somewhat dangerous to present *misspelled* words for correction; the danger being that the eye becoming familiar with the form will be apt to reproduce it unconsciously. This process cannot be relied upon for effective teaching, and is given here only for the purpose of pointing out a few words likely to be misspelled.

better understanding of the case. I should have written before, but I *prefere*d to wait *untill* I could *consistantly* carry out the *undertakeing*.

You will *recollect* that I mentioned a plan of *proceedure* which *apeared* to me *feasable* and right: and it is upon this plan alone that I should dare to act, or *recomend* others to act. It is *indispensible* that this view of the case be *accepted* by you as a basis of *negociation*; otherwise, my *preferance* will be to let the whole matter rest *indefinitely*. For, as you know, it would be a *greivous* error to conclude a *bargin* upon an *insuficient* understanding.

I will see you *tomorow* or *Wendesday*, or, at the farthest, on the first of *Febuary*, at which latest time I expect to be in town. Please *acknowledge* the *receipt* of this, and let me know if any time other than the dates *specefied* for seeing you will better *accomodate* you.

Yours *affectionitely*,

SAMUEL ———.

2. I am sick, my dear Hortense. I am *seperated* from you, and my heart is sick as my body. I *percieve* that I was not born, my child, for so much *grandure*, and I should have been more happy in retirement, *surounded* with the objects of my love.

3. I am going to tell you a thing, the most astonishing, the most *surprizing*, the most *marvellous*, the most *mirraculous*, the most *magnificent*, the most confounding, the most *unheered* of, the most *singular*, the most *extrordinary*, the most *incredable*, the most *unforseen*, the greatest, the *leest*, the *rairest*, the most *comon*, the most *publick*, the most *privite*, the most *briliant*, the most *enveyable* thing which has *occured* during the *presant* century.

4. A *joaker* is near akin to a *bufoon*, and *niether* of them is the *leest* related to wit. Whoever is *admited* or *saught* for in company upon any other *account* than that of his *merrit* or *maners* is never respected *there*, but only made use of. Abject *flatery* and *indiscriminite* contradiction and *noisey* debate disgust. But a modest *asertion* of one's own *opininion* and a *com-placent acquiescence* in other people's, *perserve* dignity.

5. (Containing six misspelled words) Monsieur de Staël is in the deepest poverty, and his wife gives *diners* and *balls*. If you still visit her, would it not be well to persuade her to make her husband an allowance of from two to four hundred dollars a *monnth*; or have we reached the time when one can, without giving offence to honorable people, trample under foot not only morals, but *eaven* duties more sacred than those which unite children to parents?

6. (Containing ten misspelled words.) It is cleerly the interest of mankind, and especialy of that large class who live by the sail of thier labor, that the largest possible *pourtion* of created wealth should be set aside as capital for reproductive purposes, so that the *groth* of capital should do *more than* *mearely* keep pace with the *increace* of the population.

THE CHOICE OF WORDS. (§ 158.)

1. SUBSTITUTING WORDS AND PHRASES.

[The model paragraph contains *italicized* words and phrases, which are to be substituted by the pupil for words and phrases of his own, having the same or a more appropriate meaning, the object being to convey the same general sense, and to use all the words not italicized *in their order*. After producing the paragraph in this form, let him reconstruct it entirely, using his own language without regard to any of the words in the model. There should be no attempt to supersede a word *for the mere purpose of making a change*, the object being simply to express the sense in the pupil's own language. Follow the plan laid down in the example.]

MODEL.

Street beggars *practice on the sympathies* of those who are *disposed to be charitable*, and they *comprehend the device* of *presenting themselves* to good people *without exciting distrust*. They *constitute themselves a brotherhood* bound together by certain *considerations* of *self-interest*, and by certain *recognitions* which *help* them to *work unitedly*.

SUBSTITUTIONS.

Street beggars **PLAY ON THE FEELINGS** of those who are **KINDLY DISPOSED**, and they **UNDERSTAND** the **ART** of **APPROACHING** good people **ON THE BLIND SIDE**. They **FORM A FRATERNITY**, bound together by certain **TIES** of **MUTUAL HELPFULNESS** **IN THEIR BUSINESS**, and by certain **SIGNS** which **ENABLE** them to **CO-OPERATE**.

PARAPHRASE.

Street beggars understand their business, and they make a study of those whom they would victimize. They are adepts in divining the weak points of human nature, and know just how to use their knowledge. Although not banded together in any formal way, they nevertheless have so much in common that they are quick to learn each other's wants and methods, as also how to co-operate for their mutual advantage.

EXERCISE 1.

On Sunday, August 22, 1869, I went to *see* old Mrs. Grant, whom I was grieved to see *sitting* in her chair *supported* by pillows, and her poor feet *raised* upon cushions, very much *altered* in her face, and I *fear*, dying of dropsy. On August 26, I saw her *again*, and *gave* her a shawl and a pair of socks.

EXERCISE 2.

Nobody ought to pretend to write or speak unless he has something of consequence to say. It occasionally happens that we can speak of something essentially valuable without a great deal of effort, but usually it is requisite to exercise ourselves, in order to say anything apt.

EXERCISE 3.

A pile of materials, however excellent the quality, no more makes a composition than a mass of stone and wood makes a mansion. The constructor must pick out, fit, and bring together the objects before there can be a structure. A crowd of men huddled together do not make an army. The lines must be adjusted and order brought about before they are fit for a battle.

EXERCISE 4.

Great scribblers and orators have generally been adepts in synonyms. Robert Hall was particularly nice in his selection of words. John Foster compiled his thesis on "Decision of Character," with tedious slowness. He would squander whole days on a few brief sentences, bringing each word beneath his intense scrutiny, so that every one, challenged and scrutinized, took its position in the building like an examined soldier in the ranks.

EXERCISE 5.

In sanguine natures, the tendency to magnify is very general. With some people everything is magnificent! splendid! sublime! terrible! They never come down to use more commonplace or less extravagant terms. They seem forever on stilts, poised above ordinary mortals. Occasionally they will convey this feeling so far as to make use—no doubt unthinkingly—of contrary terms, such as potently weak, immensely little, exquisitely homely, etc.

2. SUPPLYING WORDS AND PHRASES.

[The following exercises may be a little more difficult, but they are correspondingly more efficient in the matter of training. Here the pupil cannot rely upon the dictionary for synonyms, but must cudgel his own brains for the fit words. He will then develope language and practice the art of composition. First, let him read carefully in the "Statement" the facts to be embodied; then, fill in the outline with the proper words and phrases, using all the words of the outline in their order, and supplying only the omissions marked by dashes. And finally, let him write out the letter in full without reference to the outline, using his own form of expression.]

STATEMENT.

This is a letter addressed by a merchant to his correspondent, informing him of a contemplated trip to Europe. He aims simply to put his correspondent at ease in reference to the conduct of the business during his absence, informing him as to the person who will have charge, and giving him his foreign address.

OUTLINE.

My _____ : I am _____ Europe, _____ four months or so. I _____ Italy, France, Switzerland, Germany, and the low countries, _____ England and Scotland. My _____ absence _____ hands of Mr. Charles Seymour _____ all matters. _____ will suffer from my temporary absence, _____ fully competent _____ myself. _____ Brown Shipley & Co., London, _____ addressed.

WORDS AND PHRASES SUPPLIED.

My dear Sir: I am about to sail for Europe, to be absent four months or so. I expect to visit Italy, France, Switzerland, Germany, and the low countries, and shall of course not neglect England and Scotland. My business during my absence will be in the hands of Mr. Charles Seymour, who will act for me in all matters. I feel sure that nothing will suffer from my temporary absence, as Mr. Seymour is fully competent to attend to all matters as faithfully as I could, myself. My foreign bankers are Brown, Shipley & Co., London, to whom all communications designed for me personally should be addressed.

UNTRAMMELED LETTER.

JAMES HASKINS, Esq.,

Chicago.

NEW YORK, April 17, 1884.

My dear Sir: I am about to go abroad for a few months, and shall spend most of my time on the Continent. My business affairs will be confided to my chief clerk, Mr. Charles Seymour, whom you know, and who will, I am sure, so well supply my place that my absence will not be felt by my customers. I shall return about the first of September; meanwhile, any letters addressed to me, "Care of Brown, Shipley & Co., London," will reach me promptly.

Yours very sincerely,

P. C. SCHUYLER.

EXERCISE 1.

Statement.—This letter is dated at New York, Jan. 15, 1884, and introduces the bearer, Mr. Hardcastle, to Mr. John H. Robertson of Buffalo. **Mr.**

Hardcastle visits Buffalo with a view to settling there as a lawyer. The writer of the letter has known him for a number of years, and can speak of his legal ability and standing in the highest terms. He asks Mr. Robertson, who is an old friend, to interest himself in the bearer, for which courtesy he will be ever grateful.

Outline.* — Jan. 15, —. The bearer, Mr. —, is a particular — and he visits — locate —. Mr. — lawyer of good — in this — and I do not hesitate — strongly — extended to him will be — by —.

EXERCISE 2

Statement.—The letter is dated Boston, June 1, 1884, and addressed to Brown, Black & Co., New York, informing them that owing to the failure of a principal debtor it will be impossible for the writer to meet an acceptance of \$5000, due on the 15th. He states, however, that if he can be allowed an extension of sixty days he has no doubt of his ability to meet the obligation.

Outline.— I am placed — of informing — owing to — it will be —. I feel confident, however, — of time, say — I shall — my obligation. — hear from — decision —.

EXERCISE 3.

Statement.—This is a response to the previous letter, acceding to the request, and expressing sympathy for the temporary embarrassment of the correspondent.

Outline.— Permit us — reply — that we cheerfully — with reference —. We hope — unnecessary anxiety —.

EXERCISE 4.

Statement.—An acknowledgment of the receipt of the above letter, with warm expressions of appreciation of the courtesy extended.

Outline.— kind letter — this morning — relieved — generous compliance. — appreciate — acceptance — when due —.

* The student must study arrangement for himself, and must use all the words necessary to express his meaning. There is no suggestion of sentences or paragraphs in the outline.

GRAMMATICAL CONSTRUCTION. (§ 162.)

[The exercises under this head are intended to cover but a few of the most common errors in grammar. To attempt to give the rules of grammar at any length would be to take this book out of its sphere. In the first few sentences the grammatical exercises are *italicized*; after that the student must find them for himself.]

1. COMMON ERRORS—AS TO NUMBER IN NOUNS AND VERBS.

1. The good wishes of the school *is* hereby expressed.
2. The remains of the feast *was* gathered in two baskets.
3. Either of the men *are* worth a million.
4. There *is* at least two men to one woman.
5. The goods *was* damaged by the freshet.
6. The man's wages *was* equal to his work.
7. Neither one nor the other *were* pleased.
8. At least one-fourth of the crew *was* drowned.
9. Pride and poverty makes a bad mixture.
10. A man with two boys *were* already on the spot.

2. AS TO FORMS OF VERBS.

1. A man at the mast-head *blowed* a whistle.
2. The water we drunk *was* most excellent.
3. When you come to us yesterday we did not know you.
4. The family *was* at last forsook.
5. When you have payed us we will retire.
6. The bell *was* rang at four in the morning.
7. If you had not trod on my toes, I should missed you.
8. Before we left no one had spoke.
9. He has simply mistook one for the other.
10. He sprung upon the man and all was over.

3. AS TO THE NOMINATIVE AND OBJECTIVE FORMS.

1. Charles went with James and I.
2. Who are you going to vote for?
3. If I was him I would accept the offer.
4. Father and me are just like two brothers.
5. He included my brother and I in the invitation.
6. Her sister and her were in the same class.
7. It was generally known that him and I were friends.

4. AS TO THE IMPROPER USE OF ADJECTIVES AND ADVERBS.

1. Of my two brothers John is the oldest.
2. I like him better than anybody.

3. This is much more preferable than the other.
4. I never felt more nicely than I feel to-day.
5. This tree is over eighty foot high.
6. Unless you speak more distinct I cannot understand you.
7. Unless you play fair you cannot play at all.
8. I never felt so awkwardly in my life.
9. I never knew any one to behave so bad
10. That work was done good enough for anybody.

5. AS TO PREPOSITIONS AND CONJUNCTIONS.

1. Either he or you have got to make a concession.
2. James took a great interest into his studies.
3. He is never in want for good advisers.
4. He sat down onto the sofa.
5. I am to work on my arithmetic lessons.
6. If they had only of come, I should of gone.
7. Neither he or his sister had much to say.
8. I took my feet off of the rug.
9. If I but knew where they were going to I would follow.
10. I walked by a cane with moonlight.

6. MISCELLANEOUS ERRORS.

1. The slothful boy lays a-bed till noon.
2. Would you go there if you was me ?
3. I have been in business this forty years.
4. I cannot see what there is in them dogs.
5. It's just too nice for anything.
6. I think he acted very strange about it.
7. How do you do? Tolerable well, I thank you.
8. Neither the man with the big nose nor the one with the small head were elected.
9. I could write an essay a great deal easier than I could build a house.
10. That man never went to no college.
11. Who did you get your advice from ?
12. I only wish I had have went.
13. Will I help you to some fruit ?
14. If we had only have gone to the opera.
15. If I had not have loaned him the money.
16. The reason of us going there was well known.
17. Don't go there of a Monday if you wish to see the pictures to an advantage.
18. That shouldn't make the least bit of difference.
19. Anyway there want no great sight to spare.
20. Less you and I go if they aint another one.

PUNCTUATION AND THE USE OF CAPITALS. (§ 165.)

[The errors here given in punctuation and the use of capitals will be such as any intelligent student can correct. The most that is sought in the exercise is to give force to the importance of care in these matters. The two kinds of errors are given promiscuously.]

1. In what state is situated lake Ontario.
2. Newyork is an american City. and so are philadelphia and Boston ;
3. the dominion of Canada is on the northern Frontier of the United-states of america.
4. address your letters to j p jones, New brunswick, N. J.
5. Send me a Copy of pickwick bound in Calf.
6. I expect to go south in february or march.
7. 'The twenty-second regiment parades on monday.
8. There was a Boy ! Whose name was job Hastings ;
9. thursday comes Between wednesday and friday.
10. A frenchman likes Frogs. but not an american.
11. among the Habits required for the Efficient prosecution of Business of any Kind the Most important are Those of application observation method accuracy and Despatch there are Persons who will Sneer at these Virtues as little Things trifles unworthy of their Notice but it must be Remembered that Human Life is made up of Trifles and that as the Pence make the Pounds and the Minutes the Hours so it is the repetition of Things severally Insignificant that make up Human Character.
12. Is watts the Author of how doth the little Busy Bee improve each Shining Hour and gather Honey all the Day from every Opening Flour.
13. An eminent Writer says "talent knows *what* to do tact knows *how* to do it."
14. The mandates of god must be obeyed.
15. o balmy spring o day of dear delights.
16. The ways of providence are concealed from Man.

 STYLE. (§ 167.)

[The few examples of faulty style given here are for the student to correct in his own way. There is no attempt to give prevalent faults, and no pretense of instruction ; but simply an opportunity afforded for wholesome practice. The student is requested to reconstruct the sentences to suit himself, but to preserve as well as he can the evident intent of the writer.]

1. I should admire to go into the country, if I wasn't afeared of snakes.
2. What is a small bottle of beer among two of us.
3. You might argufy that question for a solid month without changing anybody's notions.
4. Where are you going at ?

5. She is rather small like, with a fresh good looking phiz, blue eyes and brown hair, sorter frizzed, and talks like a locomotive; but she is n't a bit pedantic or blue stokin'fied.

6. I come across an awful swell, just too mashy for anything; but his close was dreadful dusty, and he had one squinty eye and a turn up nose, and a kind of jerky walk.

7. If I was as well posted up in finance as he is, I would take an occasional sly at the stock market.

8. There is no use flying off the handle about a little matter like this. Better hold your horses, and not go off half-cocked.

9. 'Tisn't worth while making a fuss, till you know how you're coming out. They're no great shakes, anyhow.

10. Reduce the following letter to its proper limits; omitting no essential point and using no unnecessary words:

PROVIDENCE, R. I., *September 1, 1884.*

To Messrs. GEORGE P. OPDYKE & Co., New York:

Gentlemen—Sirs: It is with feelings of profound and all-absorbing, as well as of heartfelt and undisguised chagrin, regret, and mortification, that I now take up my unwilling pen to indite for your candid, and, I trust, friendly perusal, these few, brief, but portentous lines. I know not how you will receive what I have to say, or what you will think when you shall have perused these lines from the beginning to the end; but I do sincerely hope and trust that you will not attribute to my actions in the premises anything but the best and purest motives. I may have erred in judgment, as who of us all does not, sometimes? but I can say, with my hand upon my heart, and in full consciousness of the responsibility of my words, that I have wished to wrong no man; and especially would I desire not to wrong, by either word or deed, those who have ever been to me such true, honest, and faithful friends as you have been.

The fact is, and I may as well state it without circumlocution or evasion, my business affairs are getting into such a shape that I am very fearful, unless something is done to avert it, that I shall be obliged to suspend before many months. I wish it were not so; but I can see no way out of it at present. I trust you will look at the matter in as lenient a light as possible, and let me know what you would do if you were in my place.

Very truly, yours,

JAMES SLOW COACH.

11. Give the proper expansion to the following:

NEW YORK, *Oct. 12, 1884.*

SAM:

Here all right. Rail to Albany; boat to New York. Dusty road; sleepless night. River better. Found Charley at landing. Put up St. Denis Hotel. Get around to-morrow, hope. Big city; lots of people; immense buildings; great hubbub. Theatre to-night, expect. Tell you about it to-morrow.

Lots of love,

By, bye,

JOHN.

BRIEFING. (§ 172.)

[The following example will indicate the purpose of these exercises. Beyond this the student should practice briefing his own letters as he files them.]

1. Letter from Author's Friend to Publisher.

CHICAGO, July 10, 1884

Messrs. D. APPLETON & Co.,

New York.

Gentlemen: I write to inquire if you care to examine the MS. of a book on European Travel. It is from the pen of a facile writer, who is a keen observer, and is never dull. He is also an artist, and can furnish complete sketches for the engraver. I know that there is no dearth of books of travel, but I also feel sure that there is a place for this one more; and as I am a friend of the author, as also of your house, I take this means of bringing you together. If you desire to look at the manuscript I will send it to you at once; trusting that it may not be necessary for you to detain it long in case you do not wish to publish it,

I am with respect,

Yours truly,

ROBERT LINCOLN.

BRIEF OF ABOVE LETTER.

From Robert Lincoln, Chicago, July 10, offering MS. of Book of European Travel. Sketches by author. Received July 12; Ans'd July 15.

2. Reply. From Publisher to Author's Friend.

NEW YORK, July 15, 1884

Dear Sir:

Yours of the 10th at hand. You are right in saying that there is no dearth of books of travel; and you are also right in your inference that there is always room for a readable book. We shall be glad to look at the MS and the sketches of your friend, and will give you an answer as soon as we can conveniently do so.

With thanks for your courtesy we remain,

Yours sincerely,

D. APPLETON & Co

ROBERT LINCOLN, Esq. }
Chicago. }

[To be briefed by the student.]

3. Letter from Author to Publisher.

CHICAGO, July 20, 1884.

D. APPLETON & Co., }
New York. }

Gentlemen: Mr. Lincoln informs me that you are willing to look at my MS., and at his suggestion I send it you herewith. I may be wrong in the estimate I put upon my own work, but I am confident that the leading idea which I have developed will place the book beyond the contingency of mere literary excellence. In other words, I feel sure that there is a positive and remunerative demand for the kind of information which the book will contain, and in regard to which it will stand quite alone among books of travel. As you are the judges from your own point of view as to what a book should be in order to sell, I leave you to discover from the MS. what I have called my "leading idea." The sketches, with the exception of two which I offer as a sample of my finished work, are in the rough, and are with the MS., submitted for your judgment.

Yours sincerely,

H. D. NICHOLS.

4. Letter from Publishers to Author

NEW YORK, August 1, 1884.

H. D. NICHOLS, Esq., }
Chicago. }

Dear Sir: We have done your manuscript the unusual service of a prompt perusal, and must say that it bears upon its face the assurance of success. The "leading idea" we have caught, and it is a good one. Your sketches are graphic and suggestive. We think that, without doubt, such a book as you propose would "take"—possibly it might meet with an exceptional sale. At all events we are ready to negotiate with you for its publication. In case we should publish it, however, there are a few suggestions we would like to submit to you, touching our mutual interest. How soon could you place in our hands the MS. and sketches complete; and what have you to say as to terms?

Yours truly,

D. APPLETON & Co.

5. Letter from Author to Publisher.

CHICAGO, August 5, 1884.

Gentlemen :

I am gratified with your courteous favor of Aug. 1, and hasten to reply. I do not underrate the advantages to a comparatively unknown author of securing for his first real venture such eminent sponsors ; and I am prepared to accept your terms of publication, feeling assured that they will be as favorable as I could get elsewhere. I shall be glad to receive any suggestions from you touching any part of the work. The MS. can be completed within two weeks, and I will finish the sketches as rapidly as possible. I do not doubt that I can place all the material in your hands by the first of October next.

I am, with kind consideration,

Yours very truly,

H. D. NICHOLS.

D. APPLETON & Co., }
New York. }

GENERAL LETTERS.

1. LETTERS OF INTRODUCTION.

[A Letter of Introduction is for the purpose of making two persons, who before were strangers, acquainted with each other. The person writing the letter is a mutual acquaintance, and in bringing his two friends together he is presumed to seek their mutual good. A letter of introduction may be a mere act of courtesy with no purpose beyond, or it may be in the interest of the one on whose account it is written. In either case it behooves the writer to be frank and truthful. Such a letter should not be written under mental protest, covering an unexpressed doubt as to its propriety or its perfect truthfulness. It should never be written under a pressure, or to get rid of importunity, although it is not essential that the writer should be a warm partisan of the person whom he introduces. The most that can be required of him is that he *speaks the truth*.]

STATEMENT.

Exercise.—Your friend, J. C. Sproull, is to start on a pleasure tour to the Pacific Coast. You have a friend in San Francisco, who is an old-time resident, and thinking he may be of service to Mr. Sproull you write him in advance, sending the letter by mail, and stating therein that you propose to give Mr. S. a letter of introduction to him. Afterwards you write the letter of introduction, which you hand to Mr. Sproull to present in person.

MODEL 1. (Sent by mail.)

NEW YORK, April 15, 1884.

R. L. SHAINWALD, Esq., }
San Francisco. }*My dear Friend :*

Mr. J. C. Sproull of this city, whom I have known for a number of years, will soon leave for San Francisco by the overland route. I have given him a letter of introduction to you, feeling that what you can do for him to make his stay in your city pleasant and profitable you will do. Mr. Sproull is a man of excellent connections, and in certain directions of excellent attainments. He was graduated from Columbia some five years ago, and has been giving his attention since to the study of mineralogy, in which line he has attained to some distinction here. He thinks there is a wider field for him on the Pacific Coast, and his friends encourage him to make the venture. I know how busy you are, and how many interests claim your attention, but I have thought you might, without much inconvenience, put our friend in the way of making the right connections at the start. This would be doing a great service, and I know would not only be properly appreciated by Mr. Sproull and his friends, but would be availed of with discretion.

Yours as ever,

JOHN R. PENN.

MODEL 2. (Given in person.)

R. L. SHAINWALD, Esq., }
San Francisco. }*My dear Friend :*

The bearer, Mr. J. C. Sproull, visits your city with a view to locating there. He is a graduate of Columbia—of the School of Arts and of the School of Mines, and has attained to some prominence here as a mineralogist. He hopes to put his knowledge to practical use in California, and goes there with that intent. Any favor which you may be able to extend to him will be duly appreciated by him, as also by

Your sincere friend,

JOHN R. PENN.

Exercise 1.—(To be written by the student.)—Mr. Shainwald responds to the first of the above letters on date of April 25, saying that he will be pleased to see Mr. Sproull and take great pleasure in advancing his interests. He also says there are excellent openings for good mineralogists, and that he knows of a new enterprise among his own personal friends wherein the services of a scientific man are much needed.

Exercise 2.—J. E. Soulé of Philadelphia, under date of Jan. 1, 1885, writes a letter of introduction to R. C. Spencer, Milwaukee, on behalf of John Miles, a young man whom he knows, and of whom he can speak in the highest terms as an accountant and a man of business instincts. Mr. Miles goes to Milwaukee to fill a position as receiving teller in a bank, and the letter commends him to Mr. Spencer's good graces, and aims to promote a mutual acquaintanceship.

Exercise 3.—The letter is written by S. R. Eaton of Toronto, Canada, under date of July 12, 1885, and introduces the bearer, Mr. John Gibson, to Mr. S. S. Packard of New York. Mr. Gibson is an associate in business of Mr. Eaton's, and visits New York for the first time with a view to recreation and business. The object of the letter is to give to the bearer the benefit of an acquaintance with Mr. Packard, who is kindly requested to extend to him the proper courtesies.

Exercise 4.—The letter is from H. E. Hibbard of Boston, under date of April 10, 1884, and introduces the bearer Wm. Allen Miller to Mr. Henry Gillig, manager of the "American Exchange in Europe," 449 Strand, London, commending the bearer to Mr. Gillig's kind services. Mr. Miller goes abroad in the interest of a new machine which he has invented for fastening buttons on clothing, gloves, shoes, etc. He wishes to procure patents in the United Kingdom and the continental countries, and Mr. Gillig is asked to give him what advice and aid he can.

Exercise 5.—The letter is from E. R. Felton of Cleveland, under date of June 12, 1886, and introduces Mr. Edward Miles of Cleveland to "whom it may concern." Mr. Miles has just finished a course of commercial study under Mr. Felton, and is a proficient in accountantship and general literature. His special qualifications lie in the direction of correspondence, he being a proficient in the art of phonography; but he is, besides, an unusually good penman, and a thorough English scholar.

2. ORDERING GOODS.

Exercise 6.—Letter written by Bigelow & Co., Boston, under date of Apr. 12, 1886, ordering from Earl & Wilson, New York, 1000 dozen assorted Collars and 300 dozen assorted Cuffs, the same to be sent by rail as freight.

Exercise 7.—Letter from H. B. Bryant, Chicago, dated June 10, 1886, ordering from D. Appleton & Co., New York, 50 copies Bryant & Stratton Commercial Law, 10 copies B. & S. Interest Tables, and 6 copies Williams &

Packard's Gems of Penmanship, the same to be sent to Ivison, Blakeman, Taylor & Co., 753 Broadway, to be forwarded by them together with other books ordered direct.

Exercise 8.—Letter from same person and of same date as above, addressed to Ivison, Blakeman, Taylor & Co., ordering 50 copies Bryant & Stratton Book-keeping, to be sent in same package with books to be delivered them by D. Appleton & Co.

Exercise 9.—Letter from Stern Brothers, St. Louis, of date Feb. 10, 1887, to Brown & Wilson, New York, ordering a complete line of English Tweed goods, as per last order, and requesting them to draw at 30 ds. for amount of bill.

3. ADVISING OF SHIPMENTS.

Exercise 10.—Letter from J. C. Bryant, Buffalo, dated Mar. 10, 1884, addressed to M. R. Halladay, New York, advising of the shipment of 500 brls. New Process Flour, as per order of the 1st. State that the delay of a few days in executing the order was occasioned by a well-founded rumor that railroad freights were to be reduced. The fact of the reduction, it is hoped, will justify the delay.

Exercise 11.—Letter from W. H. Sadler, Baltimore, dated Jan. 10, 1887, addressed to Williams & Rogers, Rochester, advising of the shipment by express of 100 copies Sadler's Counting-House Arithmetic. State that owing to unusual demands, the last edition has been absorbed more quickly than was anticipated, which must account for the delay in filling the order.

Exercise 12.—Letter from C. C. Curtiss, Minneapolis, of Mar. 10, 1885, to B. Horton, New York, advising of the shipment of 500 brls. Choice Family Flour to be sold on account of the shipper. The consignee is requested to use his own judgment as to sales, but not to hold after April 1, except on the best assurances of an advance.

4. MISCELLANEOUS.

Exercise 13.—Answer the following advertisement:

BOOKKEEPER AND GENERAL MANAGER WANTED.—AN ACCOMPLISHED BOOKKEEPER and practical business man is desired to take charge of the business of a lumber company in Georgia. He must be a man of experience, must have some knowledge of the lumber business, and undoubted skill as an accountant. A liberal salary will be paid to the right man, and it will be wholly useless for any person to apply who cannot give the best assurances of being the right man. Address, for three days,
[Date of Adv., Apr. 10, 1884.] J. M. B., Herald Office

Exercise 14.—The party to whose advertisement, as above, you responded, writes you that in the main your testimonials are satisfactory, but that the parties in interest require surety to the amount of \$10000. You are asked if you can furnish such surety, and if you are prepared to enter upon your

duties at once. You reply that you do not think you will have any difficulty in getting surety, but that your arrangements are such that you cannot enter upon your duties before the beginning of May. You also stipulate in addition to the salary offered, the payment of your traveling expenses to the scene of operations. Write both letters.

Exercise 15.—You are a clerk in the house of James McGrath & Co., importers of Woolens. You are about to enter upon your second year, having during the past year served, as you think, faithfully, and on a small salary. Write to the firm, asking, in a respectful way what rate of wages you may expect for the year to come, and what advancements as to position.

Exercise 16.—Under date of New York, Sept. 12, 1884, write to James Bishop of Chicago, who is an old friend of your family and a long-time resident of Chicago, asking him what, in his best judgment, are the chances in that city for a young lawyer (viz.: yourself) who has graduated with the highest honors, has practiced a year in New York with fair success, and who is not afraid of hard work.

Exercise 17.—Answer the above letter as from James Bishop to yourself, under date of Sept. 16, saying that Chicago is a city of possibilities in every line of creditable enterprise; that there are plenty of merchants and professional men—good, bad, and middling, and that those who really deserve success achieve it. Say that in no profession is there a better chance to rise than in that of the law; but eminence can be reached only by genuine attainments and unremitting labor. Say also that the writer will be glad to welcome the son of his old friend, and will do him all the service within his power.

Exercise 18.—You reside in Milwaukee, and Charles Moran & Bro. in New York. Write a letter as from Moran & Bro., under date of July 12, to yourself, inquiring as to the financial standing of J. Thorburn of Chicago, who has referred to you in soliciting a consignment of goods on commission.

Exercise 19.—Write a letter in your own name, dated Milwaukee, July 15, in reply to above. Say that you have known Mr. Thorburn for a good many years; have had extensive dealings with him, and have always found him prompt and efficient in all ways.

Exercise 20.—Write a letter, dated at Boston, to your friend J. T. Coggeshall at Columbus, Ohio, informing him of your arrival in Boston, and your first week's experience in your new position. You are engaged as assistant book-keeper for Jordan, Marsh & Co. You find your employers excellent men, and your associates in all ways to your liking. Speak of your impressions of Boston as a city, and of anything which strikes you as new and interesting.

Exercise 21.—You reside in Philadelphia. Your friend James Sanford lives in San Francisco. You think you would like to go to San Francisco, or to some other California city, for a permanent stay. You are a practical book-keeper with a cash capital of \$10000. Your idea is to find a good, safe

investment for your money, and a good clerical position for yourself until you have a chance to know the country. Write your friend, asking his advice and requesting from him general information about the country and the prospects for business.

Exercise 22.—Write an answer to the above, as from Mr. Sanford. Say that matters in California are in a transition state, but that the cities are holding their own, and that in San Francisco, especially, the improvements that are going forward speak well for the financial condition, and for the courage of the people. Say that there are always good openings for investments; that money is in active demand on good securities, and that experienced accountants are also in demand. The writer is pleased to know that you contemplate coming West, and promises to do all in his power to secure your permanent stay in California.

Exercise 23.—You are a member of a firm doing business in New York. You are not quite satisfied with the relations existing between yourself and your partners, James Meredith and Robert Smith; and you write them, saying, in general terms, that you are convinced that it would be better for all parties to dissolve the copartnership. Express the high regard you feel for your associates, and your desire for their prosperity, placing the grounds of your proposal upon the fact of your declining health and conflicting ideas as to the policy of conducting the business. Ask them to appoint a time for a conference.

Exercise 24.—Write an answer to the above as from your partners conjointly to yourself. Express the sincere regret they feel at your decision, and say that the writers cannot see any necessity for the step. You have been together as partners for a good many years; the business has been prosperous and is growing more so. They recognize the fact of your poor health, which they attribute to overwork; and they suggest a leave of absence and rest. However, they will be pleased to meet you in conference, and suggest any evening of the present week which may suit your convenience.

Exercise 25.—You are the manager of a business. One of your clerks, in whom you had the utmost confidence, has been guilty of a misdemeanor. The knowledge has come to you indirectly but authentically, and you are satisfied that the act was unpremeditated and that it is the first offence of the kind. Address a letter to the young man, informing him of your knowledge of the facts, and giving him such counsel as the circumstances seem to require.

Exercise 26.—You are a clerk in a city establishment. One of your associates seems to have done you a great injury in misstating facts against your character. Write him, asking an explanation of his conduct and demanding of him a full reparation of the wrong.

Exercise 27—Write a reply to the above as from your friend to yourself. Deny in positive terms the allegations made by you, and ask for your authority.

Exercise 28.—A second letter from yourself to your supposed maligner. Give him the name of your informant, who has authorized you to do so, and ask for a mutual conference in the matter.

Exercise 29.—The mutual conference having been held, and it appearing that your informant had quite misunderstood the remarks of your associate, you will write him a letter, expressing your gratification at the result, and assuring him of your appreciation of his manly conduct and his friendship.

Exercise 30.—You, residing in Buffalo, have drawn a draft for \$1000 on Smith & Sons of Detroit, where you have a large balance to your credit. The draft comes to you through your bank protested for non-payment. Write to the drawees, expressing your surprise and asking for an explanation.

Exercise 31.—Smith & Sons write you that the blunder above indicated came through the stupidity of a clerk, who was in charge of matters when the draft was presented. They express great chagrin at the occurrence, and have discharged the clerk for his obtuseness. Produce this letter.

Exercise 32.—Respond to the following advertisement, offering a choice of houses of which you have the agency :

WANTED.—To purchase or rent, for one year or more, a first-class dwelling-house, suitable for a family of five adults. Location between 5th and 7th-aves. and 22d and 40th-sts. Neighborhood must be unexceptionable. Price, for purchase, not to exceed \$40,000; for rent, not to exceed \$2,500. Address, J. M., Tribune Office, for four days.

5. CIRCULARS, ADVERTISEMENTS, AND TELEGRAMS.

[A part of the literature of business consists of circulars, advertisements, and telegrams, all of which require skill in the preparation. The following exercises will afford a little practice in these directions.]

Exercise 33.—You are the proprietor of a Wholesale Cloth House, which is located at 410 Broadway, New York. You are about to remove to more commodious quarters at 315 Church Street, where you have erected a new building exactly suited to your purpose. Prepare a circular to be sent to your customers, apprising them of the change and your reasons for it, and invite them to visit you in your new quarters.

Exercise 34.—You have been engaged in the Wholesale Dry Goods Business, under the firm style of Stuart, Belden & Co. Mr. Belden has retired from the concern, and in his place you have taken in two clerks, named Robert Hart and Thomas Hicks; the style of the new firm to be Stuart, Hart & Hicks. Prepare a circular to be sent to your customers and correspondents, notifying them of the change, and soliciting a continuance of favor to the new firm.

Exercise 35.—You have obtained a patent on a very desirable labor-saving instrument, which you call the “Combined Double-action Mower and Reaper.” Prepare an attractive circular, describing its good qualities, and its superiority over all other instruments for the same purpose. Add to your own description and commendation the certificates of three or four reliable farmers who have used your Combined Double-action Mower and Reaper, and who do not hesitate to say it is in all respects the best machine for the purpose they have ever seen or heard of.

Exercise 36.—Owing to adverse circumstances or mismanagement, you find, upon a fair investigation of your affairs, that it will be necessary for you to go into liquidation. Prepare a circular letter to be addressed to your creditors, stating the facts, asking for leniency, and signifying your desire and purpose to save all from loss to the utmost of your ability.

Exercise 37.—Having compromised with your creditors some time since at 50 cents on the dollar, you have, by prudent management and favorable circumstances, put yourself in condition to pay your legal and moral obligations to the uttermost farthing. Address a circular letter to your creditors, thanking them for their leniency, and informing them, one and all, that you are now prepared to pay them in full, principal and interest, upon receipt of their several statements.

Exercise 38.—You are in want of a situation as accountant or general clerk in a Wholesale Establishment. Prepare an advertisement for the papers, setting forth your desires.

Exercise 39.—You are in want of a book-keeper; one who has had experience in business, and who can come well recommended. Prepare an advertisement for the papers which shall secure you proper responses.

Exercise 40.—You are a Real Estate Agent, and have a number of houses to let and for sale. Write an advertisement for publication which shall set the matter before the people in the proper light. Describe the property as specifically as possible.

Exercise 41.—You are a publisher, and you have just brought out a new book, which you desire to put into the market in the best way. Prepare an attractive advertisement, with such a display of the contents of the book as will at once catch the eye and fasten the attention.

Exercise 42.—Put the following matter into such shape as will seem to you most attractive as an advertisement :

Over 10% net earnings. All taxes paid. Connecticut Valley Railroad First Mortgage 7% Bonds, free from all taxes in Connecticut, and free of income tax everywhere. Road finished and running, and already earning expenses, interest, and over 10% on its stock. Full paid stock and a limited mortgage. Price, 95 and interest. We recommend them strongly. Brown, Jones & Smith, Bankers, 9 Pine St., New York.

Exercise 43.—Make an attractive advertisement in arrangement of the following matter :

James A. Moore & Co., No. 739 Broadway, offer for sale, at the lowest rates, their well-known Paris-made and home-manufactured garments of every style and description. Also, now ready a superb stock of novelties in real thread lace and Llana points, sacks, and jackets; Paris-embroidered Cashmere carriage and house jackets. Novelties in all our departments now open, for spring and summer wear, in all varieties of fancy dry-goods. Also, full lines in all the various staple departments. A large assortment of India shawls just received, embracing 3 cases of striped India long shawls, from \$20 to \$250 each; open-center squares, in all colors, from \$75 to \$450 each; black-filled squares, in new designs and colorings, from \$150 to \$3500. Also, a full assortment of "Ranpoore Chuddas" in all colors; besides hosiery and undergarments for spring and summer wear. Everything new, fresh, and of the best quality. No charge for showing goods.

Exercise 44.—Write a telegraphic despatch, not exceeding ten words, to be sent to J. H. Goldsmith, Detroit, ordering him to send you by express 3 cases of summer hats, and to draw on you at ten days' sight.

Exercise 45.—Write out a telegraphic message containing ten words or less, instructing your friend at New York to procure for you first-class passage tickets for Europe, and to notify you when the steamer is to leave port.

Exercise 46.—Write out a message as compactly as possible, notifying your agent at New York that you have sent him by railroad one thousand barrels flour, and that you have drawn on him at 30 days' sight for \$3000.

Exercise 47.—You have received the following telegram from your partner, who is traveling in the West. (Write out an appropriate answer.)

ST. LOUIS, *May 10, 1872.*

To J. W. MERCHANT, *New York :*

Just arrived. Find matters better than expected. Remain here four days; then to Chicago. Shall I come home directly, or go farther west?

23. Pd.

P. H. MOTLEY.

Exercise 48.—Put the following message into the fewest words that will cover all the requirements :

NEW YORK, *October 12, 1871.*

H. B. BRYANT, *Chicago, Ill. :*

Dear Sir :—I see by the papers and telegraphic despatches that you have had an awful conflagration in Chicago. I feel very sorry for you and for all your suffering people, and will do what I can to relieve you. I have put a subscription on foot, and hope to be able to send you a quantity of clothing and some money in a very few days. Meanwhile, please let me know by letter what is the condition of affairs, and how much and in what manner you and your family have suffered. Write soon, and believe me to be

Sympathetically yours,

ROBERT HASWELL.

APPENDIX.

—803—

THE matter herein contained, although intended mainly to supplement the work of the book proper, will be found to embody various features not previously introduced. The additional business sets can be used to advantage in connection with the regular work, and the forms of books suggested will be found practical and conforming to present usage; yet every teacher should employ such forms as best suit his purpose, and the models here presented are offered merely as suggestions. The problems in Partnership Settlements will be a welcome feature, while the Miscellaneous Examples which follow will afford ample material for final drill in the theory of accounts.

Set IX.—D. T. AMES, L. S. METCALF, AND G. W. LATIMER, PROPRIETORS.

Characteristics.—This set is designed to illustrate a clothing and gentlemen's furnishing business. There are three partners, who invest equally, and the business ends with a net loss, which is equally divided. Accrued interest on Bills, Receivable and Payable, also discount on paper not matured taken into account in showing the condition of the business, and the final standing of the partners. Copartnership dissolved, one partner retiring from the firm by drawing out his share of the net capital.

Accounts used in this set (put two on a page)—D. T. Ames; L. S. Metcalf; G. W. Latimer. Merchandise; Bills Payable; Interest; Bills Receivable; L. L. Williams, A. W. Smith; E. R. Felton; A. C. Lobeck; J. J. Souder; A. S. Parish; J. F. Moorar; Cash; Expense; Loss & Gain.

Philadelphia, September 1, 1884. D. T. Ames, L. S. Metcalf, and G. W. Latimer are partners, constituting the firm of Ames, Metcalf & Co. Investments and division of gains and losses to be equal.

D. T. Ames invests Cash, \$5000 (C. B.) - - - - L. S. Metcalf invests Merchandise, per Inventory, \$6795. The firm assumes for him two notes—one, favor of Ira Mayhew, dated July 1, at 3 months, with interest at 6%. Face of note, \$750, Interest accumulated to date (2 mos.), \$7.50;* and

* The student, when opening the books, should debit Interest account for all resources and credit it for all liabilities of interest. See marginal notes on page 21.

one, favor of T. R. Browne, dated Jan. 12, at 8 months, with interest at 6%. Face of note, \$1000; Interest accrued to date (7½ mos.), \$37.50; Net investment, \$5000 (J.). - - - - G. W. Latimer invests: T. W. Hannum's note, Latimer's favor, dated June 14, at 3 months, with interest at 6%. Face of note, \$750; Interest to date (2 mos. 16 ds.), \$2.50; A. H. Hinman's note, L.'s favor, dated July 26, at 3 months, with interest at 6%. Face of note, \$750; Interest accrued to date (1 mo. 5 ds.), \$4.38; also personal accounts as follows: L. L. Williams, \$500; A. W. Smith, \$362.12; E. R. Felton, \$1170; A. C. Lobeck, \$1250; J. J. Souder, \$1104. The firm assumes for him personal accounts, viz.: A. S. Parish, \$500; J. F. Mooar, \$400. His Net Investment, \$5000 (J.). - - - - Paid cash for postage stamps, \$3 (C. B.). - - - - Sold R. C. Spencer, Milwaukee, Wis., for cash, 5% disc., 4 doz. Shirts, 2d quality, @ \$12; 6 doz. Union Neckties, \$4.56; 20 doz. Linen Hdkfs., @ \$6, 3 pcs. Cassimeres, 150 yds., @ \$1.25; Total, \$_____ (S. B., C. B.). - - - - Sold H. T. Loomis, Cleveland, O., on his note at 6 mos., 50 Boys' Overcoats, @ \$5.50; 50 do., @ \$7.50; Total, \$_____ (S. B.). - - - - Received cash for petty sales, per P. C. B., \$54.25 (C. B.).

2. Received of L. L. Williams, cash on %, \$200 (C. B.). - - - - Paid A. S. Parish, cash on %, \$300 (C. B.).

3. Sold A. J. Rider, Trenton, N. J., for cash, 1 Dress Suit for self, \$50; 1 Overcoat for son, \$15; 1 box Hdkfs., 6 doz., @ \$4; Total, \$_____ (S. B., C. B.). - - - - Received cash for petty sales, per P. C. B., \$28.90 (C. B.).

4. Paid cash for 2 tons Coal, @ \$5 (C. B.).

5. Sold E. R. Felton, Cleveland, O., on %, 2 pcs. English Broadcloth, 100 yds., @ \$4; 50 Military Coats, per order, @ \$10; Total, \$_____ (S. B.). - - - - Received cash for petty sales, per P. C. B., \$105 (C. B.).

6. Paid cash for bill of Stationery, \$15; Paid hands for shop work, \$150; Total, \$_____ (C. B.).

7. Sold C. G. Swensberg, Grand Rapids, Mich., for cash, 20 Zouave Uniforms, @ \$25; 1 pc. Striped Satin, 50 yds., @ \$5; Disc. off Satin, 5%; Total, \$_____ (S. B., C. B.). - - - - Paid cash for invoice Cloths, \$4800 (C. B.).

10. Received cash of A. C. Lobeck, on %, \$750 (C. B.). - - - - Paid cash for Gas bill, \$15 (C. B.).

12. Sold A. C. Lobeck, New York, on %, 1 lot ready-made clothing, viz.: 10 Coats, @ \$3; 20 do., @ \$3.50; 50 do., @ \$5; 8 prs. Pants, @ \$3; 25 do., @ \$4; 50 Vests, @ \$1.50; 25 do., @ \$3; 1 Overcoat, \$15; Total, \$_____ (S. B.). - - - - Received cash for petty sales, per P. C. B., \$58 (C. B.).

13. Paid hands for shop work, cash, \$175 (C. B.).

14. Received cash for petty sales, per P. C. B., \$138 (C. B.).

15. Accepted J. F. Mooar's draft at 30 ds. without interest, favor W. A. Miller, to bal. %, \$_____ (J.). - - - - Sold C. C. Curtiss, Minneapolis, Minn., for cash, 5% disc., 5 doz. Cravats, @ \$9; 3 doz. do., @ \$12; 9 doz. Linen Hdkfs., @ \$6; Total, \$_____ (S. B., C. B.). - - - - Sold L. L. Williams, Rochester, N. Y., on %, 50 Military Coats (privates), @ \$10; 5 do. (officers),

@ \$15; Total, \$—— (S. B.). - - - - Paid cash for our note, favor T. R. Browne, and interest. Face of note, \$1000; Interest to date (8 mos. 3 ds.), \$40.50 (C. B.).

16. Received cash on $\frac{1}{2}$ of L. L. Williams, \$150 (C. B.).

17. Received cash for T. W. Hannum's note and interest. Face of note, \$750; Interest to date (3 mos. 3 ds.), \$11.63 (C. B.).

18. Sold Wm. Heron, Manchester, N. H., on his note at 6 mos., 50 Coats (ready-made), @ \$5; 100 prs. Pants, @ \$3; 50 doz. Collars, @ \$1.50; 5 doz. F. Y. Shirts, @ \$21; Total, \$—— (S. B.). - - - - Received cash for petty sales, per P. C. B., \$94.83 (C. B.). - - - - Paid Clerks' Salaries in cash, \$112 (C. B.).

20. Received of J. J. Souder his note at 60 ds. to bal. $\frac{1}{2}$, \$—— (J.). - - - - Sold Frank Goodman, Nashville, Tenn., on his acceptance at 60 ds., 100 Zouave Uniforms, @ \$20; 50 Military Coats, "Co. H," @ \$10; Total, \$—— (S. B.). - - - - Paid cash to hands for shop-work, \$250 (C. B.).

22. Received cash on $\frac{1}{2}$ of E. R. Felton, \$1000 (C. B.). - - - - Received cash for petty sales, per P. C. B., \$112.44 (C. B.).

25. Sold J. F. Mooar, Boston, Mass., on $\frac{1}{2}$, 50 Uniforms, "Lincoln Green," @ \$25; 30 do. Zouaves, @ \$15; Total, \$—— (S. B.). - - - - Received of A. W. Smith, cash in full of $\frac{1}{2}$, \$—— (C. B.). - - - - Received for petty sales, per P. C. B., \$83.75 (C. B.). - - - - Paid rent for September in cash, \$100 (C. B.).

26. Received of E. R. Felton, cash on $\frac{1}{2}$, \$170 (C. B.). - - - - Received for petty sales, per P. C. B., \$58.94 (C. B.). - - - - Paid cash for Portage and Drayage, \$35 (C. B.).

27. Received from A. C. Lobeck, on $\frac{1}{2}$, cash, \$500 (C. B.). - - - - Received for petty sales, per P. C. B., \$117.50 (C. B.).

28. Sold C. P. Meads, Syracuse, N. Y., for cash, 5% disc., 20 Boys' Coats (ready-made), @ \$5; 30 Vests (ready-made), @ \$1.50; 20 doz. Collars, @ \$1; Total, \$—— (S. B., C. B.). - - - - Received cash for petty sales, per P. C. B., \$87.50 (C. B.). - - - - Paid cash to hands for shop-work, \$275 (C. B.).

29. Received cash for petty sales, per P. C. B., \$112.94 (C. B.).

30. Sold A. W. Smith, Meadville, Pa., on $\frac{1}{2}$, 75 Complete Uniforms @ \$25, \$—— (S. B.). - - - - Received cash for Wm. Heron's note of Sept 18, less discount. Face of note, \$730; Discount for unexpired time, Sept 30, 1884, to Mar. 21, 1885 (5 mos. 21 ds.), at 6%, \$20.81; Net amount received, \$709.19 (C. B.). - - - - Received cash for petty sales, per P. C. B. \$175. - - - - Partners' salaries for the month, paid in cash, \$606.

The firm of "Ames, Metcalf & Co." has been this day dissolved by mutual consent, Mr. Metcalf withdrawing; the business to be continued by the remaining partners, under the firm name of "Ames & Latimer." A complete statement, showing the condition of the business, is to be prepared, each partner to be credited for his net gain or charged for his net loss, as the case may be, and after a final settlement has been made with the retiring partner, the Ledger is to be closed, the balances being brought down for continuation.

MEMORANDUM OF RESOURCES AND LIABILITIES NOT SHOWN ON LEDGER.*

Resources.—Mdse. unsold, \$975.02. Interest Receivable: Accrued interest on A. H. Hinman's note, from July 26 to date (2 mos. 5 ds.), at 6%, \$8.73; Discount for unexpired time (18 ds.) on our acceptance, favor W. A. Miller, due Oct. 18, at 6%, \$1.20. Total, \$9.33.

Liabilities.—Interest Payable: Accrued interest on our note, favor Ira Mayhew, from July 1 to date (3 mos.), at 6%, \$11.25; Discount for unexpired time (5 mos. 4 ds.) on H. T. Loomis's note, \$16.68; do. on J. J. Souder's note (1 mo. 22 ds.), \$9.57, and on Frank Goodman's acceptance (1 mo. 22 ds.), \$21.67. Total, \$59.17.

Paid L. S. Metcalf, in full of his Net Capital, our note (signed "Ames & Latimer"), to run 6 mos., with interest at 7%, for \$2000; Cash for Balance, \$2945.63 (J., C. B.).

FORMS OF BOOKS.

THE following pages exhibit the transactions of Set IX, written up in comprehensive form in the various books of entry. The particular feature of this set consists in writing the original entries at once in separate books, from which they are posted directly to the Ledger. This method has many advantages over that of making consecutive entries in the Journal, and is, in one form or other, adopted by all large establishments.

The only difficulty to be encountered is the danger of posting such entries as are contained in several books—as, for instance, sales for cash, which are entered in both the Sales-Book and the Cash-Book—twice to the Ledger. Various means of obviating this have been devised, of which the simplest, and the one generally employed, has been here adopted. This plan permits nothing that is entered in the Cash-Book to be posted from any other book. Thus, for example, the amounts of all *cash* sales are placed in a special column in the Sales-Book, the items are simply marked "C. B." and posted from the Cash-Book in the regular order.

The Cash-Book, as will be seen, is also provided with special columns—one on the Dr. side for Merchandise items, and one on the Cr. side for Expense items. The accountant is thus enabled to post to these accounts at stated periods—usually at the end of each month—the total amount for such period, instead of being required to enter each item separately.

Purchases of merchandise are here entered in the Journal; however, where such purchases are numerous, a Purchase or Invoice-Book, conforming in general arrangement to the Sales-Book here presented, may be employed to advantage.

* In order to ascertain the *exact* net gain or loss to date—which is particularly desirable since the net capital to be withdrawn by the retiring partner will be proportionately affected thereby—the items of Interest Receivable and Interest Payable enumerated in this schedule must be taken into consideration. The manner of entering these data in the Ledger is shown on page 129. Also see marginal notes on page 21.

JOURNAL.—SET IX.

1

Philadelphia, September 1, 1884.

4	MERCHANDISE - - - - -	6795		
2	L. S. METCALF - - - - -			6795
	Amount invested, per Inventory.			
	1			
2	L. S. METCALF - - To Sundries - - -	1795		
5	BILLS PAYABLE, per Bill-Book - -			1750
6	INTEREST, accrued on notes - -			45
	Assumed for him.			
	"			
3	Sundries - - - To G. W. LATIMER -			5900
7	BILLS RECEIVABLE, per Bill Book - - -	1500		
6	INTEREST, accrued on above notes - - -	13	88	
8	L. L. WILLIAMS, Balance of % - - - -	500		
9	A. W. SMITH, " " - - - -	362	12	
10	E. R. FELTON, " " - - - -	1170		
11	A. C. LOBECK, " " - - - -	1250		
12	J. J. SOUDER, " " - - - -	1104		
	Amounts invested.			
	"			
3	G. W. LATIMER - - To Sundries - - -	900		
13	A. S. PARISH, Balance of % - -			500
14	J. F. MOOAR, " " - -			400
	Liabilities assumed for him.			
	15			
14	J. F. MOOAR - - - - -	400		
5	BILLS PAYABLE - - - - -			400
	Accepted his draft at 30 ds. to bal. %.			
	20			
7	BILLS RECEIVABLE - - - - -	1104		
12	J. J. SOUDER - - - - -			1104
	His note at 60 ds. to bal. %.			
	30			
2	L. S. METCALF - - - - -	2000		
5	BILLS PAYABLE - - - - -			2000
	Note at 6 mos. for int. in business.			

1

SALES - BOOK.—SET IX.

Philadelphia, September 1, 1884.

			GENERAL.	CASH.
	R. C. SPENCER,	<i>Milwaukee, Wis.</i>		
	4 doz. Shirts, 2d quality - @ \$12	\$48		
	6 " Union Neckties - 4.56	27.36		
	20 " Linen Hdkfs. - 6	120		
	3 pcs. Cassimere, 150 yds. - 1.25	187.50		
		382.86		
C. B.	<i>Disct. off, 5%</i> - - - -	19.14		363 72
	1			
	H. T. LOOMIS,	<i>Cleveland, O.</i>		
7	50 Boys' Overcoats - - - @ \$5.50	\$275	650	
	50 " " - - - 7.50	375		
	B. R. <i>Note at 6 mos.</i>			
	3			
	A. J. RIDER,	<i>Trenton, N. J.</i>		
	1 Dress Suit for self - - - -	\$50		
	1 Overcoat for son - - - -	45		
C. B.	1 box Hdkfs., 6 doz. - @ \$4	24		89
	5			
	E. R. FELTON,	<i>Cleveland, O.</i>		
10	2 pcs. Eng. Broadcloth, 100 yds., @ \$4	\$400	900	
	50 Military Coats, per order, 10	500		
	7			
	C. G. SWENSBERG,	<i>Grand Rapids, Mich.</i>		
	20 Zouave Uniforms - - - @ \$25	\$500		
	1 pc. Striped Satin, 50 yds. 5	250		
		750		
C. B.	<i>Disct. off Satin, 5%</i> - - -	12.50		737 50
	12			
	A. C. LOBECK,	<i>New York.</i>		
	1 Lot ready-made Clothing, viz.:			
	10 Coats - - - - @ \$3	\$30		
	20 " - - - - 3.50	70		
	50 " - - - - 5	250		
	8 prs. Pants - - - 3	24		
	25 " " - - - 4	100		
	50 Vests - - - - 1.50	75		
	25 " - - - - 3	75		
11	1 Overcoat - - - -	15	639	
	<i>Amounts forward</i> - - -		2189	1190 22

Philadelphia, September 15, 1884.

			GENERAL.		CASH.	
		Amounts forward - - -	2189		1190	23
		C. C. CURTISS, <i>Minneapolis, Minn.</i>				
		5 doz. Cravats - - - - @ \$9 \$45				
		3 " " - - - - 12 36				
		9 " Linen Hdkfs. - - - 6 54				
		135				
C. B.		Disct. off, 5% - - - - 6.75			128	25
		15				
		L. L. WILLIAMS, <i>Rochester, N. Y.</i>				
		50 Military Coats (privates), @ \$10 \$500				
8		5 " " (officers), 15 75	575			
		18				
		WILLIAM HERON, <i>Manchester, N. H.</i>				
		50 Ready-made Coats - - - @ \$5 \$250				
		100 prs. Pants - - - - 3 300				
		50 doz. Collars - - - - 1 50 75				
		5 " F. Y. Shirts - - - - 21 105	730			
7		B. R. <i>Note at 6 mos.</i>				
		20				
		FRANK GOODMAN, <i>Nashville, Tenn.</i>				
		100 Zouave Uniforms - - - @ \$20 \$2000				
		50 Military Coats, "Co. H." - 10 500	2500			
7		B. R. <i>Acceptance at 60 ds.</i>				
		25				
		J. F. MOOAR, <i>Boston, Mass.</i>				
		50 Uniforms, "Lincoln Green," @ \$25 \$1250				
14		30 " Zouaves - - - 15 450	1700			
		28				
		C. P. MEADS, <i>Syracuse, N. Y.</i>				
		20 Ready-made Boys' Coats - @ \$5 \$100				
		30 " " Vests - - - 1.50 45				
		20 doz. Collars - - - - 1 20				
		165				
C. B.		Disct. off, 5% - - - - 8.25			156	75
		30				
		A. W. SMITH, <i>Meadville, Pa.</i>				
9		75 Complete Uniforms - - - @ \$25 - - -	1875			
4		Sales on time, to Cr. of Mdse. - - - -	9569			
		Sales for Cash, posted from Cash-Book -	1475	22	1475	22
		Petty Sales, entered only on Cash-Book -	1227	05		
		Total Sales for the month - - -	12271	27		

1

Cash, September 1, 1884.

1884 Sept.						GENERAL.		MDSE.	
	1	D. T. AMES	- - - Amount invested	- - - -	1	5000			
	"	MDSE.	- - - - R. C. S., Sales-Book	- - -				863	72
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				54	25
	2	L. L. WILLIAMS	- - On %	- - - - -	8	200			
	3	MDSE.	- - - - A. J. R., Sales-Book	- - -				89	
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				28	90
	5	MDSE.	- - - - " "	- - -				105	
	7	MDSE.	- - - - C. G. S., Sales-Book	- - -				737	50
	10	A. C. LOBECK	- - On %	- - - - -	11	750			
	12	MDSE.	- - - - Petty sales, P. C. B.	- - -				58	
	14	MDSE.	- - - - " "	- - -				138	
	15	MDSE.	- - - - C. C. C., Sales-Book	- - -				128	25
	16	L. L. WILLIAMS	- - On %	- - - - -	8	150			
	17	BILLS RECEIVABLE	- T. W. Hannum's note	- - -	7	750			
	"	INTEREST	- - - On above, 3 mos. 3 ds., at 6 %	- - -	6	11	63		
	18	MDSE.	- - - - Petty sales, P. C. B.	- - -				94	83
	22	E. R. FELTON	- - On %	- - - - -	10	1000			
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				112	44
	25	A. W. SMITH	- - In full of %	- - - - -	9	362	12		
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				83	75
	26	E. R. FELTON	- - On %	- - - - -	10	170			
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				58	94
	27	A. C. LOBECK	- - On %	- - - - -	11	500			
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				117	50
	28	MDSE.	- - - - C. P. M., Sales-Book	- - -				156	75
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				87	50
	29	MDSE.	- - - - " "	- - -				112	94
	30	BILLS RECEIVABLE	- Wm. Heron's note	- - -	7	730			
	"	MDSE.	- - - - Petty sales, P. C. B.	- - -				175	
		MERCHANDISE, Cr.			4	2702	27	2702	27
		CASH, Dr.			15	12326	02		

SET IX.

2

Cash, September 1, 1884.

1894		GENERAL.		EXPENSE.
Sept.				
1	EXPENSE - - - - Postage stamps - - - -			3
2	A. S. PARISH - - - On % - - - -	13	300	
4	EXPENSE - - - - 2 tons Coal, @ \$5 - - - -			10
6	EXPENSE - - - - Bill of Stationery - - - -			15
"	EXPENSE - - - - Hands, for shop-work - - - -			150
7	MDSE. - - - - Invoice of Cloths - - - -	4	4800	
10	EXPENSE - - - - Gas Bill - - - -			15
13	EXPENSE - - - - Hands, for shop-work - - - -			175
15	BILLS PAYABLE - - Note favor T. R. Browne - -	5	1000	
"	INTEREST - - - - On above, 8 mos. 3 ds., at 6% -	6	40 50	
18	EXPENSE - - - - Clerks' salaries - - - -			112
20	EXPENSE - - - - Hands, for shop-work - - - -			250
25	EXPENSE - - - - Rent for Sept. - - - -			100
26	EXPENSE - - - - Porterage and Drayage - - - -			35
28	EXPENSE - - - - Hands, for shop-work - - - -			275
30	INTEREST - - - - Disc. off Heron's note, 5 mo. [21 ds.	6	20 81	
"	EXPENSE - - - - Partners' salaries - - - -			606
	EXPENSE, Dr. - - - -	16	1746	1746
	CASH, Cr. - - - -	15	7907 31	
30	L. S. METCALF - - For his Capital (Cash, Cr. p. 15)	2	2945 63	
	Balance * - - - -		1473 08	
			12326 02	

* This Balance, being already shown in the Ledger, is not carried into the money column at the beginning of the new month in the usual manner, but entered at the end, after the proper debit to Cash has been ascertained. All danger of posting this amount a second time is thus avoided.

LEDGER.—SET IX.

(1)

D. T. Ames.

1884						1884					
Sept.	30	Loss & Gain - -	L17	54	37	Sept.	1	Cash	c1	5000	
"	"	Balance - - -		4945	63						
				5000						5000	
						Oct.	1	Balance . . .		4945	63

(2)

L. S. Metcalf.

1884						1884					
Sept.	1	Sundries - - -	J1	1795		Sept.	1	Mdse. - - . .	J1	6795	
"	30	Loss & Gain - -	L17	54	37						
"	"	Bills Payable -	J1	2000							
"	"	Cash -	c2	2945	63						
				6795						6795	

(3)

G. W. Latimer.

1884						1884					
Sept.	1	Sundries - - -	J1	900		Sept.	1	Sundries - - -	J1	5900	
"	30	Loss & Gain - -	L17	54	37						
"	"	Balance - - -		4945	63						
				5900						5900	
						Oct.	1	Balance . . .		4945	63

(4)

Merchandise.

1884						1884					
Sept.	1	L. S. Metcalf - -	J1	6795		Sept.	30	Sundries - - -	s2	9569	
"	7	Cash -	c2	4800		"	"	Cash -	c1	2702	27
"	20	Loss & Gain - -	L17	1651	29	"	"	Inventory - - -		975	02
				13246	29					13246	29
Oct.	1	Inventory - . .		975	02						

(5)

Bills Payable.

1884						1884					
Sept.	15	Cash - - -	c2	1000		Sept.	1	L. S. Metcalf - -	j1	1790	
"	30	Balance - - -		3150		"	15	J. F. Mooar - -	j1	400	
						"	30	L. S. Metcalf - -	j1	2000	
				4150						4150	
						Oct.	1	Balance - - -		4150	

(6)

Interest.

1884						1884					
Sept.	1	G. W. Latimer -	j1	18	88	Sept.	1	L. S. Metcalf -	j1	45	
"	15	Cash - - -	c2	40	50	"	17	Cash - - -	c1	11	69
"	30	" - - -	c2	20	81	"	30	Int. Receivable		9	37
"	"	Int. Payable -		59	17	"	"	Loss & Gain -	L17	68	40
				134	36					134	36
Oct.	1	Int. Receivable -		9	33	Oct.	1	Int. Payable -		59	17

(7)

Bills Receivable.

1884						1884					
Sept.	1	G. W. Latimer -	j1	1500		Sept.	17	Cash—T. W. H. -	c1	750	
"	"	Mdse.—H. T. L. -	s1	650		"	30	" W. H. - - -	c1	730	
"	18	" W. H. - - -	s2	730		"	"	Balance - - -		5004	
"	20	J. J. Souder - -	j1	1104							
"	"	Mdse.—F. G. - -	s2	2500							
				6484						6484	
Oct.	1	Balance - - -		5004							

(8)

L. L. Williams.

1884						1884					
Sept.	1	G. W. Latimer -	j1	500		Sept.	2	Cash - - -	c1	200	
"	15	Mdse. - - -	s2	575		"	16	" - - -	c1	150	
						"	30	Balance - - -		725	
				1075						1075	
Oct.	1	Balance - - -		725							

(9)
A. W. Smith.*

Sept. 1	362	12	Sept. 25	362	12
" 30	1875		" 30	1875	
	2237	12		2237	12
Oct. 1	1875				

(10)
E. R. Felton.

Sept. 1	1170		Sept. 22	1000	
" 5	900		" 26	170	
			" 30	900	
	2070			2070	
Oct. 1	900				

(11)
A. C. Lobeck.

Sept. 1	1250		Sept. 10	750	
" 12	639		" 27	500	
			" 30	639	
	1839			1839	
Oct. 1	639				

(12)
J. J. Souder.

Sept. 1	1104		Sept. 20	1104	

(13)
A. S. Parish.

Sept. 2	300		Sept. 1	500	
" 30	200				
	500			500	
			Oct. 1	200	

(14)
J. F. Mooar.

Sept. 15	400		Sept. 1	400	
" 25	1700		" 30	1700	
	2100			2100	
Oct. 1	1700				

(15)
Cash.

1884					1884				
Sept. 30	Sundries - - -	c1	12336	02	Sept. 30	Sundries - - -	c2	7907	31
					" 30	L. S. Metcalf - -	c2	2945	63
					" 30	Balance - - -		1473	08
			12336	02				12336	02
Oct. 1	Balance - - -		1473	08					

(16)
Expense.

1884					1884				
Sept. 30	Cash - - - -	c2	1746		Sept. 30	Loss & Gain - -	L17	1746	

(17)
Loss & Gain.

1884					1884				
Sept. 30	Interest - - -	L6	68	40	Sept. 30	Mdse. - - - -	L4	1651	29
" "	Expense - - -	L16	1746		" "	D. T. Ames - -	L1	54	37
					" "	L. S. Metcalf -	L2	54	37
					" "	G. W. Latimer -	L3	54	37
			1814	40				1814	40

* A few of the accounts are given in skeleton form to save space.

BALANCE SHEET OF AMES, METCALF & CO.

Philadelphia, Sept. 30, 1894.

	Page.	FACE OF LEDGER.		BUSINESS STATEMENT.		D. T. AMES.		L. S. METCALF.		G. W. LATIMER.		FINANCIAL STATEMENT.	
		Dr.	Cr.	Losses.	Gains.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Resources.	Liabilities.
D. T. Ames	1	-	5000	-	-	-	5000	-	-	-	-	-	-
L. S. Metcalf	2	1795	-	-	-	-	-	5000	-	-	-	-	-
G. W. Latimer	3	900	5900	-	-	-	-	-	5000	-	-	-	-
Merchandise	4	11595	12271	27	1651	29	-	-	-	5000	-	975	02
Bills Payable	5	1000	2150	-	-	-	-	-	-	-	-	9	1150
Interest *	6	75	19	68	40	-	-	-	-	-	-	33	59
Bills Receivable	7	6484	1480	-	-	-	-	-	-	-	-	5004	17
L. L. Williams	8	1075	350	-	-	-	-	-	-	-	-	725	-
A. W. Smith	9	2237	363	12	-	-	-	-	-	-	-	1875	-
E. R. Felton	10	2070	1170	-	-	-	-	-	-	-	-	900	-
A. C. Lobbeck	11	1889	1250	-	-	-	-	-	-	-	-	639	-
A. S. Parish	13	300	500	-	-	-	-	-	-	-	-	-	200
J. F. Moorar	14	2100	400	-	-	-	-	-	-	-	-	1700	-
Cash	15	12326	7907	31	-	-	-	-	-	-	-	4418	71
Expense	16	1745	-	1745	-	-	-	-	-	-	-	-	-
		45592	33	45592	33								
D. T. A.'s $\frac{1}{2}$ Net Loss													
L. S. M.'s					54	37	54	37					
G. W. L.'s					54	37	-	-	54	37	-	-	-
					54	37	-	-	-	-	54	37	-
					1814	40	1814	40					
D. T. A.'s Present Worth -													
					4945	63	-	-	-	-	-	-	4945
					5000	-	-	-	-	-	-	-	63
L. S. M.'s Present Worth -													
					4945	63	-	-	-	-	-	-	4945
					5000	-	-	-	-	-	-	-	63
G. W. L.'s Present Worth -													
					4945	63	-	-	-	-	-	-	4945
					5000	-	-	-	-	-	-	-	63
					16246	06	-	-	-	-	-	-	16246
					06	-	-	-	-	-	-	-	06

* RESOURCES AND LIABILITIES NOT SHOWN IN THE LEDGER:

Resources. ———
 Made, per Inv. \$975.02
 Interest Rec'dble 9.33
 Liabilities. ———
 Interest Payable \$39.17

BILL - BOOK.

BILL - BOOK

No.	WHEN REC'D.	DRAWER OR ENDORSER.	DRAWEE OR MAKER.	IN WHOSE FAVOR.	FOR WHAT RECEIVED.	WHERE PAYABLE.
	1884					
1	Sept. 1	G. W. Latimer.	T. W. Hannum.	G. W. Latimer.	Investment.	Keystone Bank.
2	" "	" "	A. H. Hinman.	" "	"	B'k of America.
3	" "		H. T. Loomis.	Ames, M'f & Co.	Mdse.	Maker's office.
4	" 18		Wm. Heron.	" "	Mdse.	" "
5	" 20		J. J. Souder.	" "	In full of %.	" "
6	" "	Ames, M'f & Co.	F. Goodman.	" "	Mdse.	Fairmount B'k.

BILL - BOOK

No.	WHEN ISSUED.	DRAWER OR ENDORSER.	DRAWEE OR MAKER.	IN WHOSE FAVOR.	FOR WHAT GIVEN.	WHERE PAYABLE.
	1884					
1	Sept. 1		L. S. Metcalf.	Ira Mayhew.	Ass'd for M'f.	Adelphi Bank.
2	" "		" "	T. R. Browne.	" "	Maker's office.
3	" 15	J. F. Moorar.	Ames, M'f & Co.	W. A. Miller.	In full of %.	Marine Bank.
4	" 30		Ames & Latimer	L. S. Metcalf.	For Capital.	Maker's office.

THE BILL - BOOK.

The utility of this auxiliary will be apparent, for a complete record of negotiable paper—and especially of our own outstanding obligations—is of the utmost importance. The form here given is the one in general use, and no explanation is necessary. Although many authors have attempted to do so, this book can not profitably be used as a *principal* book, from which to post. Its chief function is that of a "tickler," reminding us of the maturity of all notes and drafts, both against us and in our favor.

SET IX.

RECEIVABLE.

DATE.	TIME.	WHEN DUE.												AMOUNT	WHEN AND HOW DISPOSED OF.	
		YEAR.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
1884, June 14	3 mos.	1884									$\frac{1}{4}$			750	1884 Sept. 17	Paid.
" July 26	3 mos.	1884										$\frac{3}{10}$		750		
" Sept. 1	6 mos.	1885			$\frac{1}{4}$									650		
" " 18	6 mos.	1885			$\frac{1}{4}$									730	Sept. 30	Disc.
" " 20	60 ds.	1884											$\frac{1}{2}$	1104		
" " 20	60 ds.	1884											$\frac{1}{2}$	2500		

PAYABLE.

DATE.	TIME.	WHEN DUE.												AMOUNT	WHEN AND HOW DISPOSED OF.	
		YEAR.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
1884, July 1	3 mos.	1884										$\frac{1}{4}$		750	1884	
" Jan. 12	8 mos.	1884									$\frac{1}{2}$			1000	Sept. 15	Paid.
" Sep. 15	30 ds.	1884										$\frac{1}{2}$		400		
" " 30	6 mos.	1885			30	2								2000		

THE COLUMNAR JOURNAL.

In addition to the usual debit and credit money columns, this Journal is provided with special columns for such accounts as are most frequently affected. This enables us to post to the accounts thus represented the aggregate for a certain period—usually one month—instead of transferring each item separately; thus saving a vast amount of labor in posting and considerable space in the Ledger.

The following pages exhibit what is known as the "Six-Column Journal." The special columns here used are Cash and Expense on the debit, and Cash and Merchandise on the credit side. The transactions are taken from Set IX.

COLUMNAR JOURNAL.—FROM THE TRANSACTIONS OF SET 1X.

Philadelphia, September 1, 1884.

EXPENSE.	CASH.	GENERAL.	L. F.			GENERAL.	L. F.	CASH.	MDSE.
	5000				CASH	D. T. AWES	1		
					Investment.				
		6795	4		MDSE.	L. S. METCALF	2		6795
					Investment, per Inventory.				
		1795	2		L. S. METCALF	Sundries.			
					BILLS PAYABLE, per Bill-Book		5		1750
					INTEREST, accrued on notes		6		45
					Liabilities assumed for Metcalf.				
					"				
					Sundries	G. W. LATIMER	3		5900
		1500	7		BILLS RECEIVABLE, per Bill-Book.				
		13	6		INTEREST, accrued on above notes.				
		500	8		L. L. WILLIAMS, Balance of %.				
		362	12		A. W. SMITH, " "				
		1170	10		E. R. FELTON, " "				
		1250	11		A. C. LOBECK, " "				
		1104	12		J. J. SOUDER, " "				
					Amounts invested.				
					"				
		900	3		G. W. LATIMER	Sundries.			
					A. S. PARISH, Balance of %		13		500
					J. F. MOGAR, " "		14		400
					Liabilities assumed for Latimer.				
					"				
					EXPENSE	CASH		3	
					Postage stamps.				

383	72	363	72
CASH	- - - - -	MDSE.	- - - - -
		R. C. SPENCER, Milwaukee, Wis.	
		4 doz. Shirts, 2d quality	@ \$12 \$48
		6 " Union Neckties	4.56 27.36
		20 " Linen Hdks.	6 120
		3 pcs. Cassimere, 150 yds.	1.25 187.50
			<u>382.86</u>
		Disc't. off, 5%	- - - - - 19.14
			<u>11</u>
	7	650	650
BILLS RECEIVABLE	- - - - -	MDSE.	- - - - -
		H. T. LOOMIS, Cleveland, O.	
		50 Boys' Overcoats	@ \$5.50 \$275
		50 "	7.50 375
		Note at 6 mos.	
B. R.			<u>11</u>
CASH	- - - - -	MDSE.	- - - - -
		Petty sales, per P. C. B.	
			<u>2</u>
CASH	- - - - -	L. L. WILLIAMS	- - - - -
		Received on %.	
			<u>11</u>
A. S. PARISH	- - - - -	CASH	- - - - -
		Paid on %.	
			<u>3</u>
CASH	- - - - -	MDSE.	- - - - -
		A. J. RIDER, Trenton, N. J.	
		1 Dress Suit for self	- - - - - \$50
		1 Overcoat for son	- - - - - 15
		1 box Hdks., 6 doz.	@ \$4 24
			<u>1156</u>
		Amounts forward	- - - - -
8			
5706	97	16340	97
54	25	54	25
200		200	
80		80	
		300	
		8	
		200	
		300	
		20590	
		303	
		1156	97

Philadelphia, September 3, 1884.

EXPENSE.	CASH.	GENERAL.	L. F.				L. F.	GENERAL.	CASH.	MDSE.
3	5708 97 28 90	16840			Amounts forward - - - - -	- - - - -		20590	303	1136 97 28 90
10					Petty sales, per P. C. B.	- - - - -				
					EXPENSE - - - - -	4			10	
					2 tons Coal, @ \$5.	- - - - -				
		900	10		E. R. FELTON - - - - -	5				900
					E. R. F., <i>Cleveland, O.</i>	- - - - -				
					2 pcs. Eng. Broadcloth, 100 yds., - @ \$4	\$400				
					50 Military Coats, per order, - - - 10	500				
	105				CASH - - - - -	11			165	105
					Petty sales, per P. C. B.	- - - - -				
165					EXPENSE - - - - -	6				
					Stationery, \$15. Hands, for shop-work, \$150.	- - - - -				
	737 50				CASH - - - - -	7				737 50
					C. G. SWENBERG, <i>Grand Rapids, Mich.</i>	- - - - -				
					30 Zouave Uniforms - - - - - @ \$25	\$500				
					1 pc. Striped Satin, 50 yds. - - - 5	250				
					Disct. off Satin, 5 %	750				
178	6578 37	17340	4			12.50				
		6578 37	15		Dr. - - - CASH.	CASH - - - Cr.	4	20590	478	2928
		178	16		Dr. - - - EXPENSE.	MDSE. - - - Cr.	4	478		
		29996	37				4	2998	37	
							4	2996	37	

[The foregoing model contains only a portion of the transactions of Set 9, yet a sufficient number of entries is shown to illustrate the principle of the Columnar Journal. The totals of the special columns should be posted only at the end of the month, when the items should be arranged after the manner indicated in model.]

Set X.—D. T. AMES AND G. W. LATIMER, PROPRIETORS.

Characteristics.—Continuing the business of the preceding set under the new proprietorship. Capital increased by additional investments. Business prosperous. Net gain divided equally between the partners after crediting them each with interest on his net investment.

Accounts used in addition to those opened in Set 9.—J. N. Curry; Randall & Horton; W. A. Miller; J. C. Miller; A. J. Rider.

Philadelphia, October 1, 1884. D. T. Ames and G. W. Latimer, forming the firm of "Ames & Latimer," continue the business of "Ames, Metcalf & Co." with the resources and liabilities of the previous business. Interest, at 6%, allowed on net investment. Losses and gains divided equally.

D. T. Ames makes an additional cash investment of \$2000. Bought of Randall & Horton, New York, on 60 ds. credit (2% off within 10 ds.), Invoice of Mdse. amounting to \$3000. Sold James N. Kimball, Brooklyn, N. Y., for net cash, 1 doz. Fancy Neckties, \$12; 12 doz. prs. Lisle Thread Stockings, @ \$3. Total, \$_____.

2. Paid shop-hands, cash, \$300. Received cash for petty sales, per P. C. B., \$119.

3. Received cash of E. R. Felton, in full of %, \$_____. Sold A. W. Smith, on %, 6 doz. French Yoke Shirts, @ \$18; 10 doz. Knit Undershirts, @ \$7; 8 doz. prs. Knit Drawers, @ \$8. Total, \$_____.

4. Paid cash for note assumed by us, favor Ira Mayhew, due this day, with interest. Face of note, \$750; Interest accrued (3 mos. 3 ds.), at 6%, \$_____. * Total, \$_____.

5. Sold T. B. Stowell, Providence, R. I., for net cash, 15 Alpaca Coats, @ \$2; 20 Cassimere Vests, @ \$1.50; 6 doz. "Himyah" Collars, @ \$2. Total, \$_____. Received cash for petty sales, per P. C. B., \$120.

7. Paid cash for Repairing Store, \$150; also for advertisement in "Philadelphia Times," \$25. Total, \$_____. Received cash for petty sales, per P. C. B., \$94.83.

8. Paid A. S. Parish, in full of %, per sight draft on A. W. Smith, \$_____. Rec'd of L. L. Williams, cash in full of %, \$_____. Sold J. D. Odell, New York, on his note at 60 ds., 50 Complete Uniforms, @ \$20, \$_____. Sold Otto Behr, City, for cash, 5% disc., 4 doz. Cotton Hose, @ \$1.80; 6 doz. Mixed do., @ \$3.18; 12 doz. Silk do., @ \$8. Total, \$_____. Received cash for petty sales, per P. C. B., \$105.

9. Sold J. F. Mooar, on %, 24 Ready-made Coats, @ \$5; 15 prs. Pants, @ \$3.75; 30 Vests, @ \$2; 1 Fine Overcoat, \$25. Total, \$_____. Paid hands for shop-work, cash, \$253. Received cash for petty sales, per P. C. B., \$295.

* All calculations of interest in connection with this work, except when otherwise stated, should be made on the basis of 360 days to the year.

10. Sold W. A. Miller, New York, on %, 16 doz. "Himyah" Collars, @ \$1.95; 16 doz. "Elite" Collars, @ \$2; 20 doz. "Claudent" Scarfs, @ \$3; 50 doz. prs. "Punjab" Cuffs, @ \$3.75; 20 doz. prs. "Romeo" Cuffs, @ \$3.50. Total, \$_____. Received cash for petty sales, per P. C. B., \$170.50.

11. Received cash for J. J. Souder's note, less disc. Face of note, \$_____; Disc. off for 1 mo. 11 ds., at 6%, \$_____; Net amount received, \$_____. Paid Randall & Horton, cash in full of %, less 2% discount. Face of %, \$_____; Discount, \$_____; Cash paid, \$_____. G. W. Latimer makes a further investment in cash of \$1000.

12. Bought of W. J. Maxwell & Co., City, on our acceptance at 60 ds., Bill of Mdse., amounting to \$3500. Sold J. C. Miller, Lancaster, Pa., on %, 100 Complete Uniforms, @ \$19, \$_____.

15. Sold L. H. Packard, New York, for net cash, 5 doz. "Byron" Collars, @ \$2; 4 doz. "D'Orsay" Cravats, @ \$12. Total, \$_____. Received cash for petty sales, per P. C. B., \$150.25.

16. Paid hands for shop-work, cash, \$270. Received cash for petty sales, per P. C. B., \$75.50. Received from J. F. Mooar, cash on %, \$1500.

18. Sold A. W. Smith, on %, 1 case Overalls, 6 doz. prs., @ \$6 per doz.; 2 cases Summer Frocks, 12 doz., at \$18 per doz. Total, \$_____. Received cash for petty sales, per P. C. B., \$125. Paid cash for our acceptance of Sept. 15, favor W. A. Miller, due this day, \$_____.

19. Received of A. W. Smith to apply on %, sight draft on A. B. Rankin & Co., for \$1800. Sold J. N. Currey, Lancaster, Pa., on %, 10 Military Coats, @ \$15; 5 do. (officers'), @ \$25. Total, \$_____. Received cash for petty sales, per P. C. B., \$125. D. T. Ames draws out cash, \$200.

21. Sold A. J. Rider, Trenton, N. J., on %, 1 pc. French Cassimere, 50 yds., @ \$3; 10 yds. Striped Satin, @ \$6. Total, \$_____. Received cash for petty sales, per P. C. B., \$101.

23. Paid cash for our acceptance, favor W. J. Maxwell & Co., less disc. Face, \$_____; Disc. off for 1 mo. 21 ds., \$_____; Net amount paid, \$_____. Received cash for petty sales, per P. C. B., \$50. Paid hands for shop-work, cash, \$350.

25. Sold A. C. Lobeck, on %, 12 Boys' Frocks, @ \$2; 36 do., @ \$5. Total, \$_____. Sold Oscar Riess, New York, for cash, 5% disc., 10 doz. "Claudent" Scarfs, @ \$2.85; 20 doz. boxes "Linene Reversible" Collars, @ \$1.25 per doz.; 5 doz. prs. Celluloid Cuffs, @ \$1. Total, \$_____.

27. Received from A. C. Lobeck cash in full of %, \$_____. Received cash for petty sales, per P. C. B., \$100.

29. Received cash for A. H. Hinman's note of July 26, due this day. Face of note, \$_____; Interest accrued (3 mos. 3 ds.), at 6%, \$_____; Amount received, \$_____.

30. Paid cash to hands for shop-work, \$410.

31. Paid Gas bill in cash, \$18; Rent for October, \$100; Partners' Salaries, \$400. Total, \$———. Interest due partners on their average investment (31 ds.): D. T. Ames, \$35.49; G. W. Latimer, \$28.88. Total, \$———.

MEMORANDUM OF RESOURCES AND LIABILITIES NOT SHOWN ON LEDGER.

Resources.—Mdse. unsold, \$4244.37.

Liabilities.—Interest Payable: Accrued interest on our note, favor L. S. Metcalf (1 mo.), at 7%, \$11.67. Also discount on paper not matured, as follows: on H. T. Loomis's note (4 mos. 4 ds.), at 6%, \$13.43; on Frank Goodman's acceptance (22 ds.), at 6%, \$9.17; on J. D. Odell's note (1 mo. 10 ds.), at 6%, \$6.67. Total, \$40.94.

Entire Net Gain, \$1165.86.

STATEMENT OF RESULTS AT CLOSING.

<i>Resources.</i>		<i>Liabilities.</i>	
Mdse. - - - - -	\$4244.37	Bills Payable - - - -	\$2000
Bills Receivable - - -	4150	Interest Payable - - -	40.94
A. W. Smith - - - - -	369	D. T. Ames - - - - -	7364.05
J. F. Mooar - - - - -	461.25	G. W. Latimer - - - -	6557.44
J. N. Currey - - - - -	275		
Cash - - - - -	3972.11		
W. A. Miller - - - - -	380.70		
J. C. Miller - - - - -	1900		
A. J. Rider - - - - -	210		
	<u>15962.43</u>		<u>15962.43</u>

Set XI.—S. S. PACKARD AND W. A. MILLER, PROPRIETORS.

Characteristics.—In this set is presented the business connected with the publishing of a periodical. There are two partners, investing equally. The business terminates with a net gain, which is shared equally between the partners, after crediting them with salary for their services.

[This set may be written up in the ordinary form of books, or, still better, in books provided with special columns for the most frequently recurring items, as suggested in the forms previously presented. Let the teacher select such methods as appear to him best adapted to the case in hand.]

Names of accounts used.—S. S. Packard; W. A. Miller; Cash; Furniture and Fixtures; Magazine; Printing and Manufacturing; Paper; National News Co.; Western News Co.; Robert Lowe & Co.; Subscriptions; Rent; Expense; Contributions; Advertising Expenses; Advertising Returns; Moss Engraving Co.; Bulkley, Dunton & Co.; Postage; Services; N. G. Miller; J. J. Little & Co.; Dominion News Co.; Loss & Gain.

New York, June 2, 1884. S. S. Packard and W. A. Miller enter into copartnership under the firm name of "S. S. Packard & Co.," for the purpose of carrying on the publication of *The New Era in Education*, a monthly magazine hitherto published by S. S. Packard. Mr. Packard transfers to the new firm the resources and liabilities of his former business, and is to have entire charge of the editorial work, receiving therefor a yearly salary of \$2400. Mr. Miller is to assume the financial management, receiving a yearly salary of \$1800. Each partner is to make a net investment of \$5000. and the gains and losses are to be divided equally.

S. S. Packard invests: Cash, \$4200; Furniture and Fixtures, valued at \$800; Back numbers of magazine, estimated value, \$450;* Do. in bound volumes, \$300; Electrotypes Plates, valued at \$300;† Paper, \$600. Personal accounts: National News Co., \$500; Western News Co., \$800; Robt. Lowe & Co., \$250. The firm assumes for him Unexpired Subscriptions, estimated at \$3200.‡ Net investment, \$5000.

W. A. Miller invests: Cash, \$5000.

Paid cash for rent of building for June, \$500. - - - - Received cash for 15 yearly subscriptions, as per Subscription Register, @ \$5, \$75.§ - - - - Cash sales of magazine this day, per P. C. B., amount to \$74.50.||

3. Received cash for rent of upper floors for June, \$350. - - - - Paid cash for contributions to July number as follows: Chas. Tiffany, \$100; S. H. Terry, \$50. Total, \$——. - - - - Paid cash for advertising in daily papers, \$40. - - - - Received cash for 26 subscriptions, as per Subs. Reg., \$130. - - - - Cash sales, per P. C. B., \$11.

4. Sold Robert Lowe & Co., City, on %, 50 copies June, @ 36¢, \$——. Paid cash for contributions to July number: S. M. Lenox, \$75; Louis Delatour (translation), \$20. Total, \$——. - - - - Received cash for advertisements to be inserted in July issue, \$65; also for sales per P. C. B., \$8.50.

5. Credit Moss Engraving Co. for Engravings furnished for July number, as per bill, \$34.50.** - - - - Bought of Bulkley, Dunton & Co., 30 ds., 200 Rms. Machine Finished Book Paper, 26 × 40 — 50, @ \$5, \$——; also 50 Rms. Buff Cover Paper, 21 × 26 — 50, @ \$6.88, \$——. Total, \$——. - - - - Paid cash for circulars, \$10; for postage stamps, \$2.

6. Sold Western News Co., Chicago, on %, 25 copies April; 40 do. May; 85 do. June. Total, 150 copies, @ 30¢, \$——. - - - - Received cash for 70 subscriptions, as per Subs. Reg., \$350; also for sales, per P. C. B., \$15.50.

* Debit Magazine account for this and the following item.

† Debit Printing and Manufacturing account.

‡ Credit Subscriptions account. This amount represents the estimated cost of supplying the magazine to subscribers for the time paid for, but not yet elapsed, and inasmuch as the new firm is expected to complete the engagements entered into by the former proprietor, this item constitutes a liability, and must be treated accordingly.

§ Credit Subscriptions account.

|| Credit Magazine account.

** Debit Printing and Manufacturing account.

7. Received cash for advertisements, \$150. Paid salaries in cash, \$75; also sundry expenses, per Ex. Bk., \$34.85.

9. Received cash of National News Co., in full of %, \$———. Received for 40 subscriptions, as per Subs. Reg., \$200; also for sales per, P. C. B., \$25.

10. Sold N. G. Miller, Boston, on %, 20 copies Jan.; 30 do. Feb.; 20 do. March; 30 do. April; 55 do. June. Total, 155 copies, @ 38¢, \$———; also 5 Bound Volumes, hf. morocco, 1883, @ \$6, \$———. Total bill, \$———.

11. Received from Western News Co. 100 copies March, not disposed of, for which we credit them @ 30¢ per copy, \$———. Received cash for 86 subscriptions, as per Subs. Reg., \$430.

12. Cash sales per P. C. B., \$20. Paid cash for copyright, July number, \$7.*

13. Bought for cash 1 Herring's Safe, No. 3, \$450. Received cash for 20 subscriptions, as per Subs. Reg., \$100.

14. Salaries paid in cash, \$80; also sundry expenses, per Ex. Bk., \$15.75. Received from our printers, J. J. Little & Co., July edition, 1900 copies. We credit their account for the following items:

Composition and Electrotyping, Text 184,468 ems, @ \$1.10 pr. M.	\$202.91
Composition " " Advtmts. and Cover, 28,460 ems, @ \$1.10 pr. M.	31.30
8 Extra Plates, to print 2 sets, @ 60¢	4.80
Electrotyping Back Strip	.60
62 hours Alterations and Extra Time, @ 50¢	31
3 Boxes for Plates, @ 75¢	2.25
Presswork, 10,000, 7 forms, 16 plates ea., 40 tokens, @ 50¢	140
" " 1 form, 8 plates (2 sets) 20 tokens, @ 50¢	10
" " Covers, 40 tokens, @ 40¢	16
Binding, " Copies, @ \$8.50 per M.	85
Total	\$523.86†

16. Shipped Western News Co., on %, 1300 copies July, @ 30¢, \$———. Delivered to National News Co., City, on %, 1000 copies July, @ 30¢, \$———. Sold N. G. Miller, on %, 100 copies July, @ 38¢, \$———. Received cash for advertisements, \$275; also for cash sales, per P. C. B., \$62.50.

18. Sent to General Post Office, for regular subscribers, 6250 copies July issue; Paid postage on same in cash, 2850 lbs., @ 2¢, \$———; also paid drayage to Post Office in cash, \$4.50. Sold N. G. Miller, on %, 160 copies July, @ 38¢, \$———. Cash sales, per P. C. B., \$72.80.

19. Paid R. H. Stone for contribution to August number, \$50. Received cash for 22 subscriptions, as per Subs. Reg., \$110; also for sales per P. C. B., \$34.50.

20. Delivered to National News Co., on %, 300 copies July, @ 30¢, \$———. Cash sales, per P. C. B., \$63.75.

21. Shipped Dominion News Co., Montreal, on %, 300 copies July, @ 30¢, \$———. Salaries paid in cash, \$80; also petty expenses, per Ex. Bk., \$9.

* Debit Expense account.

† Debit Printing and Manufacturing account.

23. Paid J. J. Little & Co, cash, \$523.86. - - - - Received cash for 10 subscriptions, as per Subs. Reg., \$50.

24. Received from J. J. Little & Co., supplementary edition of July issue, 2000 copies, for which we credit them, as per bill :

Press-work, 2000, 7 forms, 16 plates ea., 8 tokens, @ 50¢	- - -	\$28
" " 1 form, 8 " 4 " @ 50¢	- - -	2
" " Covers, 8 " @ 40¢	- - -	3.20
Binding, " copies, @ \$8.50 per M.	- - -	17
Total	- - -	\$50.20

26. Paid cash for advertising, \$25. - - - - Sent to Post Office, for subscribers, 2000 copies July issue. Paid for postage, 172 lbs., @ 2¢, \$_____.

28. Paid Moss Engraving Co. cash, in full of %, \$_____. - - - - Cash sales, per P. C. B., \$64.50.

30. Received on % of Western News Co., cash, \$770. - - - - Credit partners for salary, 1 mo.: S. S. Packard, \$200; W. A. Miller, \$150. Total, \$_____ - - - - Paid salaries due employees to date in cash, \$84. - - - - Paid cash for rent of Telephone, \$12.50; Gas bill, \$7.50. Total, \$_____.

MEMORANDUM OF RESOURCES AND LIABILITIES NOT SHOWN ON LEDGER.

Resources.—Back numbers of Magazine and bound vols., valued at \$885.25; Paper, 140 Rms., @ \$5, and 26 do., @ \$7, \$896; Electrotype Plates, valued at \$330; Furniture and Fixtures, \$1250.

Liabilities.—Unfilled Subscriptions, estimated at \$3100.

After properly entering the above items, the Business Accounts will show the following balances: *Credits*, Magazine, \$1618.50;* Subscriptions, \$1545; Advertising Returns, \$490. *Debits*, Printing and Manufacturing, \$578.56; Paper, \$1048; Contributions, \$295; Services, \$669; Postage, \$69.44; Rent, \$150; Advertising Expenses, \$65; Expense, \$95.70.

Entire Net Gain, \$683.40.

STATEMENT OF RESULTS AT CLOSING.

<i>Resources.</i>	<i>Liabilities.</i>
Magazine (Back numbers) - \$885.25	Subscriptions (Unexpired) - \$3100
Paper - - - - - 896	Bulkley, Dunton & Co. - - 1344
Printing and Mfg. (Plates) - 330	J. J. Little & Co. - - - 50.20
Furniture and Fixtures - 1250	S. S. Packard (Partner) - 5541.70
Cash - - - - - 10795.65	W. A. Miller (Partner) - - 5491.70
National News Co. - - - 390	
Western News Co. - - - 435	
Robt. Lowe Co. - - - 268	
N. G. Miller - - - 187.70	
Dominion News Co. - - - 90	
15527.60	15527.60

* In order that the Magazine account may be made to show, as nearly as possible, the actual gain on the publication, it would be well to close into it all those accounts which are really subsidiary to it. These are—Subscriptions, Printing and Mfg., Paper, Contributions, and Advertising Returns. The Magazine account will then show a gain of \$1731.94.

Set XII.—CHARLES PARSONS, W. H. TETLOW, AND EDWARD PARSONS, PROPRIETORS.

Characteristics.—Broker's business. Buying and selling stocks and bonds on speculation, and on account of other parties. Discounting notes, loaning money on bond and mortgage, etc. Partners investing in equal amounts. Business prosperous. Net Gain divided unequally, as per agreement.

[The books generally used in a medium business of this character consist of a Day Book, or Blotter, in which the transactions are recorded as they occur, and a Cash-Book from which all the entries are posted directly to the Ledger. As nearly all the transactions involve cash, the Journal is usually dispensed with, canceling entries being made in the Cash-Book for such transactions as do not contain cash.]

Names of accounts used.—Charles Parsons; W. H. Tetlow; Edward Parsons; Cash; U. S. Fours; U. S. Four-and-a-Halves; Expense; Del., Lacka. & Western R. R. Stock; H. H. Duncan; Commission; U. S. Threes; S. S. Packard; Interest; Georgia Sixes; U. S. Currency Sixes; Bills Receivable; Long Island R. R. Bonds; Mortgages Receivable; Metropolitan Elevated R. R. Stock; Western Un. Telegraph Stock; Del. & Hudson Canal Stock; Bills Payable; Loss & Gain.

New York, April 1, 1884. Charles Parsons, W. H. Tetlow, and Edward Parsons unite in copartnership under the firm name of "Parsons, Tetlow & Co." The partners are to invest equally, and losses and gains are to be apportioned as follows: Charles Parsons, 40%; W. H. Tetlow, 35%; Edward Parsons, 25%.

Charles Parsons invests Cash, \$25000.

W. H. Tetlow invests \$10000 U. S. Fours,* 1907, coupon, @ 121½,† \$12150;‡ Cash, \$12850. Total investment, \$25000.

Edward Parsons invests \$5000 U. S. Four-and-a-Halves, § 1891, registered, @ 111½, \$5587.25; Cash, \$19418.75. Total investment, \$25000.

Paid cash for books and stationery, \$35; Rent for April, \$150.

* Bonds issued by the Government drawing 4 per cent interest. Interest payable quarterly, viz.: January 1, April 1, July 1, and October 1. Coupon and registered.

† At the New York Stock Exchange all securities are quoted "flat"—that is to say the quoted market price is for the bond as it stands at the time, including the accrued interest, except that after the closing of the transfer books the registered bonds are quoted "ex-interest," which means that the interest then coming due belongs to the person holding the bonds at the time the transfer books were closed, and not to any subsequent purchaser. The transfer books of U. S. registered bonds are closed for the month preceding the day on which the interest is paid.

‡ Some brokers use but a single account, "Securities," to show the gain or loss resulting from these dealings; others make use of a few general heads, such as "Government Securities," "Railroad Bonds," etc.; while still others employ a separate account for each kind of security dealt in, as is here proposed. Another method when dealing in first-class securities is to employ only a "Premium" account, which is debited, when securities are purchased, for the amount which they cost in excess of their par value, and credited for what they bring above their par value, when sold; the securities being counted as cash on hand for their par value.

§ Government bonds drawing 4½ per cent interest, payable March 1, June 1, Sept. 1, and Dec. 1. Coupon and registered.

2. Received cash for coupons of \$10000 U. S. Fours, 1907, \$100.*
Bought for cash 100 shares Delaware, Lackawanna & Western R. R. Stock,
@ 102½, \$102½.50.†

3. Received from H. H. Duncan cash on deposit, as a margin, to cover
purchase of stocks which he has directed us to make for him, \$1000.‡

4. Bought for H. H. Duncan, for cash, 100 shares N. Y. Central R. R.
Stock, @ 102½, \$———. Our commission, ⅙%, \$12.50.§ Bought
for cash \$10000 U. S. Threes, || reg., @ 100⅔ (ex-int.), \$———.

5. Received of S. S. Packard on deposit, as margin, cash, \$1000.
Bought for S. S. Packard, for cash, 100 shares Chicago, Burlington & Quincy
R. R. Stock, preferred, @ 113¼, \$———. Our commission, ⅙%, \$———.

7. Sold for cash H. H. Duncan's 100 shares N. Y. Central R. R. Stock,
@ 105, \$———. Our commission, ⅙%, \$———. Interest on \$9262.50 for
3 ds. @ 6%, \$———. Remitted to H. H. Duncan check for balance due
him, \$1220.37.

9. Bought for cash \$5000 Georgia Sixes,** @ 104, \$———.
Received quarterly dividend of 2% on 100 shares Del., Lacka. & Western R. R.
Stock in cash, \$———.††

11. Sold for cash 50 shares Del., Lacka. & Western R. R. Stock, @ 105,
\$———. Paid cash for advertising, \$25.

14. Sold for cash, S. S. Packard's 100 shares Chi., Bur. & Quincy R. R.
Stock, @ 120, \$———. Our commission, ⅙%, \$———. Interest on \$10337.50
for 9 ds., @ 6%, \$———. Balance to his credit, \$———.

16. Bought for cash \$5000 U. S. Fours, 1907, coup., @ 120⅔, \$———;
also \$10000 U. S. Currency Sixes, ‡‡ 1895, reg., @ 123, \$———.

17. Paid S. S. Packard's sight draft for balance of % in cash, \$———.
Discounted for H. D. Nichols his note, our favor, @ 30 ds.; Face of
note, \$500; Discount off for 33 ds., @ 6%, \$———; Cash paid, \$———.

* We receive three months' interest. Credit U. S. Fours account.

† Stocks are usually issued in shares having a par value of \$100 each, and quotations
are made at so much per cent on the basis of a par value of \$100 per share. Thus, in the
above case, 102½ means \$102½ (or \$102.125) for \$100 worth of the par value, or one share of
the stock.

‡ Debit Cash and credit H. H. Duncan. Stock brokers require from the person for
whom they buy and "carry" stock a deposit to protect them against any loss which might
result from a decline in the value of the stock thus held. This "margin" is usually 10-25
per cent of the par value of the stock to be purchased. The broker furnishes the necessary
additional funds, charging legal rate of interest therefor.

§ Debit H. H. Duncan for the cost of the stock plus our commission.

|| Government bonds, bearing 3 per cent interest, payable Feb. 1, May 1, Aug. 1, and
Nov. 1. Registered only.

** Bonds issued by the State of Georgia, bearing 6 per cent interest.

†† Credit Del., Lacka. & Western R. R. Stock account.

‡‡ These bonds are so called from the fact that the interest on, them, 6 per cent, is pay-
able in currency, and not in coin, as is the case with all other Government bonds now
outstanding. They are payable 30 years from date, and mature at different dates from 1895
to 1899. Interest payable Jan. 1 and July 1. Registered only.

19. Bought for cash \$5000 Long Island R. R. 5% Bonds, @ 102, \$———. Sold for cash \$10000 U. S. Fours, 1907, coup., @ 123 $\frac{1}{2}$, \$———.

22. Bought for cash \$5000 U. S. Currency Sixes, 1899, reg., @ 131, \$———. Procured for Byron Horton the discounting of his note, @ 60 ds., for \$5000; Received brokerage, $\frac{1}{4}$ %, in cash, \$———.

23. Loaned W. A. Miller, for one year, interest at 6% *per annum*, \$5000, receiving as security his bond and mortgage on Paterson property.* Sold for B. W. Jones 300 shares Illinois Central R. R. Stock. Received commission, $\frac{1}{8}$ %, in cash, \$———.

29. Sold for cash \$10000 U. S. Threes, reg., @ 101, \$———. Bought for cash 100 shares Metropolitan Elevated R. R. Stock, @ 99, \$———; also of B. White on our acceptance @ 10 ds. (interest @ 6%), 200 shares Del. & Hudson Canal Stock, @ 94 $\frac{1}{2}$, \$———, and 100 shares Western Union Telegraph Stock, @ 62 $\frac{1}{2}$, \$———. Total, \$———.

30. Sold for cash \$5000 Georgia Sixes, @ 101, \$———; \$5000 Long Isl. R. R. Bonds, @ 100, \$———; 50 shares Del., Lacka. & Western R. R. Stock, @ 105 $\frac{1}{2}$, \$———. Received quarterly dividend of 1 $\frac{1}{2}$ % on 100 shares Western Union Tel. Stock, \$———. Paid current expenses in cash, \$146.21.

MEMORANDUM OF RESOURCES AND LIABILITIES NOT SHOWN ON LEDGER.

Resources.—\$5000 U. S. Fours, coup., @ 121, \$———; \$5000 U. S. Four-and-a-Halves, reg., @ 112 $\frac{1}{2}$, \$———; \$10000 U. S. Currency Sixes, 1895, @ 123 $\frac{1}{2}$, \$———; \$5000 U. S. Currency Sixes, 1899, @ 131 $\frac{3}{8}$, \$———; 100 shares Met. Elevated R. R. Stock, @ 98 $\frac{1}{2}$, \$———; 200 shares Del. & Hudson Canal Stock, @ 94 $\frac{1}{2}$, \$———; 100 shares Western Union Tel. Stock, @ 61 $\frac{7}{8}$, \$———. Interest Receivable: Accrued interest on W. A. Miller's mortgage, \$5000 (7 ds.), @ 6%, \$———.

Liabilities.—Interest Payable: Accrued interest on our acceptance, favor of B. White, \$25187.50 (1 day), @ 6%, \$———; also disc. for unexpired time (20 ds.) on H. D. Nichols's note, @ 6%, \$———. Total, \$———.

Entire Net Gain, \$522.89.

STATEMENT OF RESULTS AT CLOSING.

<i>Resources.</i>	<i>Liabilities.</i>
U. S. Fours - - - - \$6050	Bills Payable - - - - \$25187.50
U. S. Four-and-a-Halves - - 5625	Interest Payable - - - - 5.87
U. S. Currency Sixes - - - 18918.75	Charles Parsons - - - - 25209.16
Met. Elevated R. R. Stock - 9825	W. H. Tetlow - - - - 25183.01
Del. & Hudson Canal Stock - 18950	Edward Parsons - - - - 25130.72
Western Union Tel. Stock - 6187.50	
Cash - - - - - 29654.18	
Bills Receivable - - - - 500	
Mortgages Receivable - - 5000	
Interest Receivable - - - 5.83	
100716.26	100716.26

* Debit Mortgages Receivable account. This account is treated in all respects like Bills Receivable account.

FORMS OF AUXILIARY BOOKS.

Following are given forms of auxiliary books in general use. The latter form of Cash-Book may be used also as a principal book, a column being provided for the Ledger pages. Model of Bill-Book will be found on page 132.

CASH - BOOK.—TRANSACTIONS OF SET VII.

New York, May, 1884.

1884						
May	1	Chas. Seymour invested - - - - -	5000			
	"	Paid for Office Furniture - - - - -			350	
	"	" " Books and Stationery - - - - -			50	
	2	Deposited in First National Bank - - - - -			4000	
	5	Sold from T. & H.'s Sales, No. 1, 50 brls. Flour - \$11.40	570			
	6	Sold 25 brls. St. Louis Extra Flour - - - - - 14	350			
	"	Sold 25 " State Superfine " - - - - - 9	225			
	"	Deposited in Bank - - - - -			1000	
	10	Sold from T. & H.'s Sales, No. 2, 75 brls. Pork - 20	1500			
	"	Deposited in Bank - - - - -			2000	
	13	Sold from Wheeler's Sales, No. 1, 500 bush. Wheat - 3.25	1625			
	20	Deposited in Bank - - - - -			1000	
	23	Received from J. L. Hunt, in full of acct. - - - - -	1375			
	24	Deposited in Bank - - - - -			1875	
		<i>Balance on hand</i> - - - - -			370	
			10645		10645	
June	1	Balance on hand - - - - -	370			

CASH - BOOK.

New York, May, 1884.

1884						
May	1	CHAS. SEYMOUR - - - Invested - - - - -	5000			
	5	T. & H.'s SALES, No. 1 - 50 brls. Flour - - - \$11.40	570			
	6	MDSE. - - - - - 25 " " St. L. Ex., 14.	350			
	"	MDSE. - - - - - 25 " " State Sup., 9.	225			
	10	T. & H.'s SALES, No. 2 - 75 " Pork - - 20.	1500			
	13	WHEELER'S SALES, No. 1 - 500 bush. Wheat - - 3.25	1625			
	23	J. L. HUNT - - - - - In full of % - - - - -	1375			
		TOTAL CASH RECEIVED - - - - -	10645		10645	
					10645	
June	1	Balance - - - - -			370	

SALES-BOOK.—TRANSACTIONS OF SET IV.

Buffalo, March 2, 1884.

MILLARD FILLMORE, <i>City.</i>		<i>Note at 3 months.</i>			
1	Set Enameled Furniture	- - - - -	75		
1	" Black Walnut Furniture (oiled)	- - - - -	275		
1	Carved Rose-wood Bureau	- - - - -	100		450
3					
JAMES TRUMAN, <i>Rochester, N. Y.</i>		<i>Cash.</i>			
1	Mahogany Settee	- - - - -	45		
6	Parlor Chairs	- - - - - \$6.00	36		
1	Rose-wood Tête-à-Tête	- - - - -	75		
1	B. W. Library Book-case	- - - - -	80		236
4					
A. W. SMITH, <i>Meadville, Pa.</i>		<i>On %.</i>			
1	B. W. French Bedstead	- - - - -	50		
1	Extension Dining Table	- - - - -	25		
1	Enameled Bedroom Suit	- - - - -	85		160
5					
J. H. GOLDSMITH, <i>Detroit, Mich.</i>		<i>Note at 60 ds.</i>			
6	Gothic Chairs	- - - - - \$7.00	42		
1	B. W. Dressing Bureau	- - - - -	55		
1	French Mantel Clock	- - - - -	75		
6	R. W. and Brocatelle Parlor Chairs,	- \$10.00	60		232
6					
GEORGE T. SMYTHE, <i>Syracuse, N. Y.</i>		<i>Cash.</i>			
12	Dining Chairs	- - - - - \$3.00	36		
1	B. W. Child's Crib	- - - - -	15		
1	Ornamental Étagère	- - - - -	45		96
TOTAL SALES					1174

TRANSACTIONS OF SET VII.

New York, May, 1884.

1884						
May	1	FURNITURE	- - - - -	For office	- - - - -	350
	"	EXPENSE	- - - - -	Books and Stationery	- - - - -	50
	2	FIRST NAT. BANK	- - - - -	Deposited	- - - - -	4000
	6	"	"	"	- - - - -	1000
	10	"	"	"	- - - - -	2000
	20	"	"	"	- - - - -	1000
	24	"	"	"	- - - - -	1875
TOTAL CASH DISBURSED						10275
<i>Balance</i>						370
						10645

COMMISSION SALES

Thompson & Hayes's

1884		Bush. Rye.	Bush. Oats.						
May	14	500	300	Cash. Freight and Drayage	180				
June	15			Storage, Insurance, etc.	13	87			
				Commission, 2½ % on \$895	22	37	216	24	
				Thompson & Hayes's Net Proceeds -			678	76	
		500	300				895		

BANK CHECK-BOOK

PASS-BOOK.

Dr.	FIRST NATIONAL BANK IN	% WITH CHAS. SEYMOUR.	Cr.
1884		1884	
May 2	Cash, P. - 4000	May 4	Ck. No. 1 375
" 6	" P. - 1000	" 6	" 2 225
		" 8	" 3 247
			Balance - 4152 50
			5000
	Balance - 4152 50		

DATE.	DEPOSITS.	CHECKS.
-------	-----------	---------

1884		
May 2	4000	
" 6	1000	
	5000	

375

225

DEPOSIT SLIP.

Deposited in	
First National Bank.	
BY CHARLES SEYMOUR,	
New York, May 2, 1884.	
Bills	1774 50
Specie	1200
Checks	500
	125
	400
	4000

5000
847.50
4152.50

247 50
847 50

PARTNERSHIP SETTLEMENTS.*

1. C, D, and E are partners, each investing \$10000, and each to share $\frac{1}{3}$ of the gain or loss. The resources and liabilities at the close of business are found to be as follows, viz.: Merchandise on hand, per inventory, \$8159.50; cash on hand, \$5012.88; personal accounts due the firm, \$4235; notes and accepted drafts (bills receivable) on hand, \$5000; real estate, \$8000; bonds and stocks, \$12000; owing by the firm to sundry persons, \$5505; firm's notes outstanding (bills payable), \$3000. C has withdrawn during the year \$1247.87; D, \$1400; and E, \$1489. What is each partner's interest in the concern at closing?

2. C, D, and E are partners, sharing the gains and losses equally. C's net investment was \$8752.13; D's, \$8600; and E's, \$8511. During the year the firm's gains were as follows: Merchandise, \$8529; stocks and bonds, \$650; interest, \$985.25. The cost of conducting the business was \$2125. What was each partner's interest at closing?

3. M and N are partners, M sharing $\frac{3}{4}$ of the gain or loss and N $\frac{1}{4}$. M invested \$15000 and N \$5000. At the close of the business year, the resources and liabilities of the concern are as follows: Cash on hand, \$2128; bills payable, \$4000; bills receivable, \$3000; the firm owes sundry persons, \$8375; due the firm from sundry persons, \$16427; rent paid in advance, \$375; mortgage held by the concern on the property of A. G. Pope, \$5000; accrued interest on the same, \$150; store fixtures valued at \$835; merchandise on hand, \$9416; accrued interest on firm's notes outstanding, \$112; accrued interest on notes held by the firm, \$75. M has withdrawn \$2465; and N, \$2375. According to the agreement, each partner is to receive a salary of \$2500. What are the separate interests at the close of the business?

4. A and B are partners, A investing $\frac{2}{3}$ of the capital, and B $\frac{1}{3}$; the gains or losses to be shared in the same proportion. The following is an exhibit of the business, excepting the partners' accounts, at the close of a certain period: *Resources*, cash, \$3775; Stone & Co., \$150; A. R. Mead, \$1200; bills receivable, \$5500; interest on the same, 125; merchandise, \$5140. *Liabilities*, L. Blair, \$500; W. H. Rice, \$723; Martens & Bultman, \$517.64; bills payable, \$3300; interest on the same, \$169. The net gain during the year was \$3174. What was each partner's original investment?

5. Upon a close valuation of the personal accounts due the firm in the preceding example, the partners are convinced that Stone & Co.'s is worth no more than 50% of its face; and A. R. Mead's, 25% of its face. Upon this valuation what would be the gain, and what the condition of the partners' accounts at closing?

6. P and Q are partners, each to receive interest on his net investment at the rate of 6% per annum, and the net gain or loss to be divided equally. P invests, Jan. 1, \$5000; Mar. 1, \$4000; June 16, \$1500; and draws out Apr. 16, \$2500. Q invests, Jan. 1, \$8000; Sept. 16, \$2000; and draws out June 1,

* From the "PACKARD COMMERCIAL ARITHMETIC."

\$1500; Nov. 11, \$500. At the close of the year, the net gain is found to be \$4475.25, without taking into account the interest on the partners' accounts. What is the amount due each partner after the gain is adjusted? (Time by Compound Subtraction.)

7. A and B have been doing business as partners. A sharing $\frac{2}{3}$ and B $\frac{1}{3}$ of the gains and losses. A invested \$4500, average date, Mar. 25, 1882; and drew out \$2700, average date, Sept. 12, 1882. B invested \$7200, average date, June 17; and drew out \$3750, average date, Oct. 25, 1882. At the time of their dissolution, Jan. 1, 1883, the debts of the firm were all paid and they had on hand belonging to the firm \$8750 in cash. How shall the money be divided, each being allowed interest at 6% on his investment and charged with interest at the same rate on the amounts drawn? (Time by exact days. Interest 360 days to the year.)

8. A and B are partners, A having $\frac{2}{3}$ and B $\frac{1}{3}$ interest. A advanced in business \$12000, average date, Jan. 12, 1883; and drew out \$1265, average date, Oct. 20, 1883. B advanced \$7500, average date April 5, 1883; and drew out \$2560, average date, Nov. 25, 1883. Jan. 1, 1884, A purchases B's interest in the business, and at that date the assets are as follows: Cash, \$5800; merchandise, \$6250; notes on hand, \$7300; accrued interest on the same, \$387.14; personal accounts, \$5700. The liabilities are as follows: Notes outstanding, \$4200; accrued interest on the same, \$227.65; personal accounts, \$2500. How much is B entitled to, 5% of the personal accounts being considered uncollectible, and interest being reckoned on the partners' accounts at 6% *per annum* (365 days to the year)?

9. Four merchants ship goods on joint account. A puts in \$6000, B \$5500, C \$4200, and D \$4800. What will be each man's share, if the gain is \$9200?

10. Five persons having claims against the Government, placed their claims in the hands of an agent for collection; A's claim amounted to \$500, B's to \$425, C's to \$300, D's to \$250, and E's to \$175; but, after the agent had deducted his fees, there remained only \$1237.50. How much did each claimant receive?

11. A, B, and C are partners. A puts into the concern \$3000, but withdraws half of it at the end of 6 months; B puts in \$2000, and adds \$500 to it at the end of 4 months; C puts in \$2500 for the whole year. The gain during the year is \$1700. What is each one's share?

12. Three contractors agree to build a road for \$10000. A has 25 men at work for 16 days and 30 men for 34 days. B has 40 men for 10 days and 45 men for 40 days. C has 48 men for 50 days. C receives \$200 extra for superintending the work. How much is each contractor entitled to?

13. J, K, and L are partners, gain or loss to be divided according to average investment. J invests as follows: Jan. 1, \$6000; Apr. 1, \$4000; K invests, Jan. 1, \$8000; L invests, Jan. 1, \$7000; Apr. 16, \$2500; and draws out June 16, \$3500. At the end of the year the net gain is found to be \$4135.60. What is each partner's share? (Time by Compound Subtraction.)

14. A and B are partners for one year, the gain or loss to be divided in proportion to their average investments. A invested, Jan. 1, \$8000; June 16, \$1500; Aug. 1, \$2500; and drew out, May 1, \$1500. B invested, Jan. 1, \$10000; April 1, \$500; and withdrew, Aug. 16, \$2500. How much should A invest Sept. 1 to entitle him to one-half the gain?

15. A, B, and C form a copartnership under the following conditions: A is to manage the business, and to receive therefor \$2400 *per annum*, which amount is to be credited as July 1. He is to receive interest on his salary and to pay interest on sums withdrawn at the rate of 6% *per annum*. B and C are to furnish the capital, and to receive interest therefor at the rate of 6% *per annum*. The net gain or loss to be divided equally. B invests, Jan. 1, \$10000; Apr. 1, \$5000. C invests, Jan. 1, \$10000; July 1, \$5000; and draws out Sept. 16, \$500. A draws out, Feb. 1, \$200; Mar. 1, \$400; July 11, \$500; Oct. 1, \$200; Nov. 21, \$100. At the end of the year, the gain—without taking into account either the salary to be paid to A or the interest on the partners' accounts—is \$8437.16. What will be the balance of each partner's account, when all the items have been properly entered?

16. A, B, and C are partners, A investing \$25000 capital, B \$5000, and C nothing. The proportionate interests are: A 60%, B 25%, C 15%. At the expiration of the term of copartnership, and after the gains and losses have been adjusted, A's credit of capital stands intact, B has a credit of only \$1000, while C has overdrawn his account \$8534. C being insolvent, how much must B pay into the concern to adjust his share of the loss?

17. M, the owner of a mill, employs S, a miller, under the following conditions: M is to furnish the requisite capital, and S to receive, in lieu of salary, $\frac{1}{3}$ of the profits. M has a store connected with the mill, on the books of which are entered all time sales of mill products. The grain, etc., for the mill is furnished by M. At the beginning of the year the value of the grain, flour, feed, etc., is \$1727. During the year M's purchases for the mill amount to \$19275. S has received for cash sales \$16337, of which he has paid over to M \$15550. The sales on account, as shown on M's books, amount to \$8375; and the value of the products on hand is \$2828. During the year S has purchased goods at M's store to the amount of \$837.65. How much is owing to S at the expiration of the year?

18. A, B, and C are partners, A sharing $\frac{2}{5}$ of the gain or loss, B $\frac{2}{5}$, and C $\frac{1}{5}$. Interest is to be reckoned at the rate of 6% *per annum* (365 days to the year) on the partners' accounts, and each partner is to receive a salary of \$1800, to be credited as July 1. A invested, Jan. 1, \$16000; and withdrew during the year \$4875, average date, Aug. 21. B invested, Jan. 1, \$20000; and withdrew \$6224, average date, June 18. C invested, Jan. 1, \$5000; and and withdrew \$2625, average date, July 31. Jan. 1, of the following year, the merchandise account shows a gain of \$18437.16; the interest account (not including the interest on the partners' accounts) a gain of \$586.38; sundry consignment accounts show a net gain of \$1287.14. The expense account (not including the partners' salaries) shows a loss of \$3424.75. What is each partner's interest in the business at closing? How will A be affected if each partner's salary is increased to \$2500?

19. A, B, and C are partners in business, investing as follows: A, \$4000; B, \$6000; C, \$8000. The partners are to share the profits and losses in proportion to their investments. Each is entitled to compensation for services at the rate of \$1800 per year. At the end of the year B and C purchase the interest of A, and in the payment therefor, it is desired that the remaining members shall so invest that their interests shall be equal. It is mutually agreed that the "good will" of the business shall be valued at \$3000 in the final settlement. It is also agreed that a discount of 5% shall be allowed upon all uncollected accounts as a fund to meet bad debts and costs for collecting. A statement of the business previous to closing shows the following results: Merchandise, horses, wagon, office fixtures, and cash on hand, \$12410; sundry debtors, \$17030; sundry creditors, \$4050; expense account (not including partners' salaries), \$2400; profit on merchandise sold, \$15332. A withdrew \$1150; B withdrew \$2267; C withdrew \$2125. How much must B and C each invest or pay A, and how should the books of the new firm be opened?

NOTE.—B and C, not desiring to have the new books encumbered with the contingent accounts of "good will" and "reserve fund," closed these accounts after a settlement was made with A.

20. A and B are partners in business. A is to furnish the capital, and to receive interest at the rate of 10% *per annum*. B is to give his entire energies to the business, and to receive therefor a yearly salary of \$2000, payable in monthly installments at the end of each month. The net gain or loss is to be divided equally. A's investments are as follows: Jan. 1, \$7000; April 1, \$3000; July 1, \$2500; Aug. 1, \$5000. Jan. 1 the firm assumed a note for him of \$2000, due and payable July 1. The following amounts, at the dates named, were drawn out by each of the partners: A—April 10, \$300; May 15, \$150; Aug. 20, \$500. B—Jan. 31, \$166.67; Feb. 15, \$200; May 1, \$150; July 1, \$300; Aug. 15, \$100; Sept. 1, \$125; Nov. 1, \$200. At the end of the year their books show the following condition of the business:

<i>Resources.</i>		<i>Liabilities.</i>	
Cash	- - - - - \$5175.10	Personal accounts	- - - - - \$3150
Merchandise	- - - - - 13250.17	Notes	- - - - - 1500
Personal accounts	- - - - - 6750		
Notes	- - - - - 5000		

With what amount should each partner be credited?

NOTE.—B's salary is due in equal monthly amounts, at the end of each month. If the actual sums drawn by him at the various dates are not equivalent to this, let the matter be adjusted on the basis of interest at 6% *per annum*.

21. C, D, and E engage in a professional business January 1, with a capital of \$6000, which is contributed equally. Each partner keeps an account of his services, and also of his receipts and expenditures, and the net gain is to be divided equally at the end of the year. It is also agreed that each shall pay into the concern interest on all money used, at the rate of 6% *per annum*. At the end of the year the following statements are rendered:

C's services, as recorded, have produced \$7500. His collections have been as follows: Jan. 15, \$150; Feb. 10, \$317.25; March 1, \$500; April 12,

\$175; April 20, \$600; June 10, \$325; July 1, \$412.25; Sept. 9, \$174.25; Oct. 1, \$250; Dec. 15, \$412.18; Dec. 31, \$600. He has paid expenses for the concern as follows: April 10, \$125; May 15, \$25; July 1, \$137.50.

D's services have come to \$8000. He has received cash as follows: March 1, \$375; April 10, \$122; April 15, \$216.25; June 10, \$159.75; July 15, \$417; Oct. 5, \$813.75; Dec. 10, \$400; Dec. 20, \$500. He has expended for the concern, July 1, \$230.

E has earned \$8750; and has collected, Jan. 12, \$421; Feb. 1, \$750; March 20, \$318.75; March 31, \$127.50; April 19, \$613.75; July 30, \$1500; Aug. 12, \$129.70; Sept. 19, \$329.20; Oct. 15, \$459.33; Nov. 19, \$517.84; Dec. 31, \$750. He has paid no expenses for the concern.

There remains, earned and uncollected, \$11413.25. A careful examination of the accounts convinces the proprietors that not more than \$500 of this amount is doubtful; and they base their net earnings on the undoubted resources. How will each partner's account stand when the proper adjustments have been made and recorded?

MISCELLANEOUS EXAMPLES.

[These problems are serviceable in testing the student's proficiency in the work passed over, and his skill in solving practical questions in accounts. Some of the examples admit of various solutions. In all such cases it would be well to require the work to be performed by the several methods, thus bringing out more clearly all the points involved, besides affording additional proof of the correctness of the work.]

1. A merchant commenced business with a cash capital of \$4000. At the end of the year, the following facts appear from his records: Amount of Cash received, \$17500; amount paid out, \$13750; J. Smith's account is debited \$1500, and credited \$750; Robert Bruce's, Dr. \$900, Cr. \$595; T. Sloan, Dr. \$915, Cr. \$1417; Value of Merchandise unsold, \$500.

Required, the net capital at closing; as, also, the net gain during the year.

2. A commenced business with the following investment: Cash on hand, \$1500; Cash in Bank, \$5750; Notes on hand, \$2500; Interest due on same, \$150; Robert Smart owes on %, \$2000. His losses and gains during the year are as follows: Gain on Merchandise, \$1251.25; Do. on Shipments, \$1595; Expenses, \$375; Loss on bad debts, \$800.

Required, his net capital at the close.

3. Henry Smith and Wm. Jones are partners, each investing \$10000 in the business; gains and losses to be divided equally. During the business Smith has withdrawn \$500, and Jones \$700. At the close they ascertain that there has been a net gain of \$1575. The Balance Sheet exhibits the following list of property and debts:—*Property*.—Bank Stock, \$5000; Merchandise, \$750; Notes, \$4000; Personal Indebtedness, \$2175; Cash, \$———. *Debts*.—Personal accounts, \$2500; Notes, \$2750.

Required, the amount of Cash on hand, and the condition of the partners' accounts.

4. Commenced business without capital or liability. At the end of the year my Ledger shows the following balances:

<i>Debits.</i>		<i>Credits.</i>	
Cash - - - - -	\$1700	Bills Payable - - - - -	\$1500
Merchandise - - - - -	475	Robert Schenck - - - - -	2150
Bills Receivable - - - - -	500	Peter Misner - - - - -	300
Expense - - - - -	175	Commission - - - - -	175
Interest - - - - -	25	James Connor - - - - -	1250
Stuart & Co. - - - - -	2500		
	<hr/>		<hr/>
	\$5375		\$5375
	<hr/>		<hr/>

I have Merchandise on hand valued at \$1275.

Required, my capital at the close.

5. The following is an exhibit of my business, at the close of a certain period:

<i>Resources.</i>		<i>Liabilities.</i>	
Cash - - - - -	\$575	A. Van Wyck - - - - -	\$500
Bank - - - - -	3200	Sanborn & Co. - - - - -	250
Stuart & Co. - - - - -	150	H. & J. Lewis - - - - -	473
Rathbone & Dick - - - - -	1200	J. McFarland - - - - -	319
Government Bonds - - - - -	4000	Bills Payable - - - - -	3000
Bills Receivable - - - - -	1500	Interest on same - - - - -	150
Interest on Notes - - - - -	125		
Mortgages - - - - -	3750		
Merchandise - - - - -	1390		

My net gain, based on the above exhibit, has been \$3175.

What was my original investment?

6. Suppose, in the above example, that Stuart & Co.'s account is worth no more than 25% of its face, and Rathbone & Dick's but 50% of its face.

Upon this valuation, what has been my net gain?

7. The account showing net investment has been torn from my Ledger, leaving all the other accounts intact, as follows:

<i>Debits.</i>		<i>Credits.</i>	
\$17310 15 - - - - -		Cash - - - - -	\$15976 12
8132 50 - - - - -		Merchandise - - - - -	3795 50
117 25 - - - - -		Expense - - - - -	
1400 - - - - -		Bills Receivable - - - - -	
12 50 - - - - -		Interest - - - - -	
175 - - - - -		Johnson & Co. - - - - -	

The Merchandise remaining unsold is valued at \$5795. There were no amounts invested or withdrawn after the opening of the business, and the net gain has been \$1328.25.

Required, the original investment.

8. The following is a Trial Balance of my Ledger :

<i>Debits.</i>		<i>Credits</i>
	Stock - - - - -	\$1284
\$12150	Cash - - - - -	11012
7500	Merchandise - - - - -	6125
8000	Real Estate - - - - -	9150
4000	Bills Receivable - - - - -	2000
3000	Bills Payable - - - - -	5100
129	Interest - - - - -	212
350	Expense - - - - -	
172	J. Whitcomb - - - - -	
	H. Van Renssalaer - - - - -	418
<hr/> \$35301		<hr/> \$35301

My net gain has been \$1008, and the only property I have on hand, not exhibited in the Ledger, is unsold Merchandise.

Required, its valuation.

9. My Merchandise cost \$15000, and I have sold what has produced \$8531.25. My average gain in the sales has been 30% on the cost of the goods sold.

Required, the value of unsold Merchandise, estimated at cost.

10. A, B, and C are partners, equal in interest. Some time ago A drew out for private use, \$500, and C, \$400.

How may the matter now be equitably adjusted between them so as to charge them with equal amounts on the books?

11. D and E are equal partners. They have on hand a note for \$2000, which E considers doubtful. D agrees to buy E's share (\$1000) for \$500.

Required, the entry on the books.

12. F admits G as partner, on condition that the latter shall assume notes outstanding to the amount of \$3000.

What is the required entry?

13. H, the sole proprietor of a business, owes his clerk, J, the sum of \$500, for which his note is given. Afterwards the clerk, J, is taken in as a partner, having one-third interest in the business. When the note falls due, J draws the amount from the concern, and delivers the note to H as canceled.

Has J been paid in full? If not, what entry can be made on the books to properly adjust the matter?

14. Suppose, in the above case, that J had put the note into the concern as a part of his investment; and when it matured, the amount was paid over by H to J.

What entry would properly adjust the matter?

15. Suppose, in the latter case, that H put the money into the concern, and took up the note.

What would be the proper entry?

16. K owes L \$1000; L owes M \$1000; and M owes K \$1000. In payment of his debt, K gives to L his sight-draft on M for the full amount.

What debit and credit entries in each of the persons' books will this transaction necessitate?

17. N, O, and P are equal partners. At the end of a certain period the following amounts are due them from the business for services: N, \$250; O, \$225; P, \$125.

Required, the proper Journal entry for settling this matter directly between the partners, permitting no accounts except those of the partners to be used.

18. Q, R, and S are partners equal in gains and losses; each to receive interest on his average investment. At the end of the year it is ascertained that Q is entitled to \$56.95 interest; R to \$67.40; and S to \$16.50.

Required, the proper Journal entry for adjusting this matter directly between the partners without the intervention of the Interest %.

19. Suppose, in the above case, that the losses and gains are not to be divided equally, but are to be apportioned as follows: Q, $\frac{5}{10}$; R, $\frac{2}{10}$; S, $\frac{3}{10}$.

What would then be the required entry?

20. T, U, and V are partners, equal in gains and losses. Each partner is to receive interest on his average investment, or pay interest on his deficiency. At the close of the year T is entitled to \$72.50, and U to \$50.75; while V is charged for \$43.25 on his insolvency.

Required, the proper Journal entry which shall adjust the matter without the aid of any accounts but those of the partners.

21. Suppose, in the foregoing example, the division of losses and gains is not to be equal, but is to be made on the following basis: T, 45%; U, 30%; V, 25%.

Required, the proper Journal entry.

DETECTION OF ERRORS IN TRIAL BALANCES.

The following hints apply to the detection of errors in trial balances, or in any operation in which errors are made in addition or subtraction, or in transferring numbers from one place to another.

1. Ascertain the exact amount of the error. Much time is sometimes wasted in looking for errors which do not actually exist.

2. Revise carefully the additions of the Trial Balance before looking for the error in the Ledger or other books.

3. If the error is in one figure only (as 2000, 100, 50, etc.), it is probably an error in addition or subtraction.

4. If an amount is entered on the wrong side of an account, or is added when it should be subtracted or *vice versa*, the error will be twice the amount.

5. If the digits of any number are written to the right or left one, two, or three places, and the error be divided by 9, 99, or 999 respectively, the quotient will be the number.

Thus, if \$427 be written \$4.27, the error will be \$422.73; which divided by 99 (by 9 and 11), the quotient will be \$4.27.

The number of 9's by which the number can be exactly divided is equal to the number of places which the number has been transferred to the right or to the left.

6. If two consecutive digits of any number are transposed, the error will be a multiple of nine; and the quotient obtained by dividing the error by 9 will express the difference between the digits transposed.

Thus, if 437, be written 473, the error will be 36; which divided by 9 produces 4, the difference between 3 and 7. The same error, 36, will arise if the figures transposed are 0 and 4, 1 and 5, 2 and 6, 4 and 8, or 5 and 9.

7. If the error contains a number of figures, it is probable that some account or item has been omitted.

8. Look for the error systematically, and not in certain portions of the work selected at random.

9. Errors are frequently the result of a neglect to write figures legibly, or a failure to arrange them in true vertical columns, so that units will stand under units, tens under tens, etc.

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